



Regulation Review

Retrospective Review Update: CMS Burden Reduction Rule

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The Centers for Medicare & Medicaid Services (CMS) recently released the final version of a rulemaking that seeks to reduce costs. The rule would cut back on the requirements that certain health-care providers must meet when administering care under Medicare or Medicaid. The White House high

lighted this action in a [blog post](#), as well as a proposal from last fall [eliminating certain paperwork requirements](#) for truck drivers. The unofficial, [pre-publication version](#) of the rule is 201 pages; its official publication date is Monday, May 12.

CMS estimates that this rule would save providers approximately \$640 million annually. The proposed version actually estimated \$659 million per year. However, this version also notes how its upper bound could approach \$830 million in annual savings. The rule does not provide an estimate of the amount of paperwork that it will save. This rulemaking marks the second largest cost reduction in a final rule under this administration. Another [CMS rulemaking](#) from 2012 narrowly exceeds the regulatory savings from this most recent effort.

This is a noteworthy set of savings. Yet, in what has become a running pattern, it stands as yet another example of one step forward, two steps backward on the retrospective review front. For perspective, assume this rule's total savings over five years equal \$3.2 billion. This equals nine percent of the [\\$35.5 billion in costs](#) imposed by the Affordable Care Act (ACA).

In fact, one of the major problems with the administration's regulatory look-back is that it really is not much of a look-back at all. As the American Action Forum (AAF) noted in a [recent examination](#) of administration retrospective review plans, much of their plans include measures that are neither cost saving nor retrospective in nature. The ACA was a major culprit in this regard as AAF found 15 regulations that would actually add \$5.9 billion in costs, nearly double the total saving of this rule.

It is commendable that CMS is taking some significant steps in consolidating outdated requirements. However, the pace of new regulatory requirements, thanks to programs such as the ACA, continues to dwarf the deregulatory efforts of this administration.