



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

For Immediate Release

Friday, Jan. 6, 2006

Grassley Seeks Details of CMS Employees' Travel to Lavish Medicare Contractor Meetings

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, is asking the Centers for Medicare and Medicaid Services for details of key employees' travel to conferences at lavish resorts sponsored by Medicare contractors. The employees are responsible for overseeing more than \$300 million in taxpayer dollars annually given to the contractors, called "Quality Improvement Organizations."

"As you look at the photos of the Don CeSar event, you wonder if these contractors are going to luaus and playing golf instead of investigating patient complaints about poor Medicare quality," Grassley said. "And then you have to wonder whether the federal employees who are supposed to make sure the contractors are doing the job we pay them to do are instead going to luaus and playing golf themselves."

Grassley, as chairman of the Finance Committee with jurisdiction over Medicare, began investigating Quality Improvement Organizations last summer after The Washington Post reported that the groups appear to do too little to fulfill their mandate of investigating complaints about poor care provided by doctors, hospitals, and nursing homes under Medicare; receive little scrutiny; are barred from sharing most of their findings with patients; and have some executives who receive lavish pay and perks.

The text of Grassley's latest letter follows.

January 4, 2006

Via Electronic Transmission

The Honorable Mark McClellan
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Dr. McClellan:

Thank you for your response to my letter, dated August 11, 2005, which requested a number of

documents (e.g. contracts, travel expenses, board compensation, and performance audits) from over 15 Quality Improvement Organizations (QIOs). My Committee staff is conducting an in-depth review of the documents produced to date. Already, the documents raise a number of critical concerns regarding, among other things, the management of government funds and the alleged lack of responsiveness to beneficiary complaints, as reported by the Washington Post in July 2005. For your information, given these concerns, I have requested that the Office of Inspector General and the Government Accountability Office review the operation and activities of the QIOs in more depth. The Committee's review will continue and the QIOs will be contacted directly for additional information.

Information and documents available to the Committee suggest that the annual Tri-Regional conference held at the Don CeSar Beach Resort and Spa appeared to be more of a party than a diligent working meeting. For example, the photos of the conference posted on the Tri-Regional website: <http://www.triregional.com/gallery.asp>, suggest a cruise ship atmosphere rather than that of a government working meeting to improve quality of care for Medicare beneficiaries. The pictures depict a luxurious resort, lavish dinners, dessert buffets, and Hawaiian dance parties -- all in a tropical beach locale. Accordingly, the Committee requests a detailed accounting of the costs for the past four conferences, including but not limited to detailed information on the source and amount of funding for these annual events. In addition, please provide information on any other travel meetings attended by CMS and QIO staff at a location other than the CMS or QIO office for the past three years. Finally, provide the following information and documents regarding CMS staff travel and awards by no later than January 19, 2006:

1) Provide all travel documents and information for Drs. Steven Jencks, and William Rollow, for the period of September 2000 through December 31, 2005, including but not limited to:

a. a detailed list and description of all trips by these CMS employees outside of CMS headquarters, including but not limited to the location, purpose, and length of each trip ;

b. identify the amount and source of reimbursement for all travel (e.g., CMS, QIO contract, AHQA, or other source) along with a copy of all corresponding travel forms (HHS-1, Standard Form 1012 and 1164) for each employee identified; and

c. a detailed description of each employee's duties and responsibilities on each trip.

2) Identify all awards provided to Drs. Jencks and Rollow for the period of September 2000 through December 31, 2005, including but not limited to a detailed description of each award, including its monetary and/or non-monetary value;

3) State whether or not Drs. Jencks and/or Rollow were provided with access to property owned or leased by the QIOs or the American Health Quality Association (AHQA) (e.g. an automobile, aircraft, real estate, credit card, etc.) during the period of September 2000 through December 31, 2005; and

4) Provide copies of any review/investigation into these or related matters of Drs. Jencks and/or Rollow.

In complying with this request, please respond by repeating the enumerated request, followed by the accompanying response; attach and identify all relevant documents or data by title and the number(s)

to which they are responding. In the event that a document is withheld on the basis of privilege, provide the following information concerning any such document: (a) the privilege asserted; (b) the type of document; (c) the general subject matter; (d) the date, author and addressee; and (e) the relationship of the author and addressee to each other. Each document produced shall be produced in a form that produces a document that can be reproduced by photocopying. If the information requested is not available in the format requested, please notify the Committee, and we will be happy to accommodate other formatting options. In closing, thank you for your attention to this important matter.

Sincerely,

Charles E. Grassley
Chairman