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**Power Mobility Coalition Voices Concern over Government Reports
Outlining Lack of Oversight in the Medicare Durable Medical Equipment
Benefit**

*Organization Calls on Medicare to Expedite Mandatory Accreditation, Adopt Clearer
Documentation Standards*

WASHINGTON, DC - The Power Mobility Coalition (PMC), an association of manufacturers and suppliers of power mobility devices, raised concerns today about recent findings that questioned whether the Center for Medicare & Medicaid Services (CMS) accurately reviewed durable medical equipment (DME) claims that suppliers submitted for reimbursements after providing medical equipment to Medicare beneficiaries. .

The Health and Human Services (HHS) Office of the Inspector General (OIG) report entitled, *Medical Review of Claims for the Fiscal Year 2006 Comprehensive Error Rate Testing Program (A-OI-07-00508)*, compared an OIG and CMS review of the same Medicare DME claims, including power mobility devices, which resulted in vastly different error rates. The CMS contractor assessed a 7.5% error rate while an OIG contractor assessed a 28.9% error rate.

To help correct problems, the OIG recommended that physicians receive additional documentation training and that CMS issue a written policy clarifying the review process to be followed by their Medicare contractors. The PMC has worked with Congress, CMS, physician organizations, and suppliers to establish an objective documentation standard to provide consistency in the DME claims process.

It is evident by the report, however, that an objective standard still eludes CMS as attested by the differing interpretations of the DME claims process by both OIG and CMS. “It appears that there is inconsistency in determining what constitutes medical necessity for Medicare beneficiaries to obtain the equipment,” says Stephen Azia, PMC Counsel. “The physician must be the gatekeeper of the PMD benefit and the veracity of his or her medical best medical judgment should not be second-guessed by a medical reviewer who has never seen or examined the beneficiary. These results just highlight what we have been concerned about for years.”

The OIG report comes on the heels of a report from the Government Accountability Office (GAO) that also highlights deficiencies in the Medicare program’s fraud prevention efforts. According to the GAO report entitled, *Medicare: Covert Testing Exposes Weaknesses in the Durable Medical Equipment Supplier Screening Process* (GAO-08-955), investigators set up two fictitious DMEPOS companies using undercover names and bank accounts. CMS approved the companies for Medicare billing privileges despite having no clients and no inventory, exposing vulnerabilities in the DME enrollment and inspection process.

The PMC has long supported efforts to prevent fraudulent companies from being approved for the Medicare program, including a mandatory accreditation requirement and more rigorous standards that were included as part of the Medicare Modernization Act of 2003. Accreditation by a nationally recognized accreditation body will provide additional accountability, ensure program integrity and safeguard taxpayer resources.

Unfortunately, when Congress directed CMS to delay the competitive bidding program for medical equipment, CMS also cancelled the accreditation deadlines for suppliers, which will

slow the accreditation process. While CMS still maintains a mandatory accreditation deadline of September 30, 2009 for all suppliers, they have ended the phase-in that accompanied competitive bidding, and would have resulted in more suppliers being accredited.

”Congress should make it clear to CMS that the delaying of competitive bidding was not meant to delay any mandatory accreditation requirements that can be useful in the fight against fraud,” says Eric Sokol, PMC Director. “PMC strongly urges that a new phase-in schedule should be developed and implemented immediately. It is our hope that we can work with CMS during this critical time and establish meaningful barriers to keep fraudulent companies out of the Medicare program”

In many cases, unscrupulous actors would not have been permitted into the program if they were subjected to mandatory accreditation. “All legitimate DME suppliers have an interest in ridding the Medicare program of bad actors,” Mr. Azia explained. “Accreditation is a powerful tool that will help in eradicating the fraudsters, save the Medicare program and American taxpayer’s money and ensure that eligible beneficiaries receive quality medical equipment from lawful suppliers.”

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The Power Mobility Coalition (PMC) is a nationwide association of manufacturers and suppliers of motorized wheelchairs and power operated vehicles based in Washington, DC.