

Hoveround Acknowledges Year-Long Role In Prompting Clean-Up Of Power Wheelchair Industry

September 11, 2003 - Hoveround Corporation, manufacturer and provider of **power wheelchairs** and scooters to people with mobility problems, today confirmed that it has played a proactive role since July of 2002 in providing the Centers for Medicare and Medicaid Services (CMS) with information and documentation of what it considered to be fraudulent activities by unscrupulous suppliers in the **power wheelchair** industry.

On September 9, CMS and the Office of the Inspector General (OIG) announced a new ten-point program, dubbed "Operation Wheeler Dealer," aimed at stopping abuse of the **power wheelchair** benefit in the Medicare program. In another announcement, Senator Charles Grassley, R-Iowa, Chairman of the Senate Committee on Finance revealed that the Committee is investigating soaring Medicare payments for **power wheelchairs** and scooters. According to both announcements, spending on **power wheelchairs** has increased nearly 450 percent over the last four years. In one of the more alarming areas of the country, Harris County, Texas experienced a jump from 3,000 Medicare-paid **power wheel chairs** in 2001 to over 31,000 in 2002. Nationally, Medicare payments for the devices have increased from \$289 million in 1999 to \$845 million in 2002.

In confirming the company's proactive role in stimulating the investigations, Hoveround President Thomas Kruse said, "We have previously met with Tom Scully, Administrator for CMS, other representatives of the Executive branch and congressional offices several times to bring to their attention what we considered to be inappropriate and perhaps fraudulent activities of certain companies within our industry. We applaud Administrator Scully for his quick and decisive action on this issue."

Hoveround is committed to working the CMS and other agencies to rid the industry of fraudulent providers that abuse the important, and necessary Medicare program. Kruse added, "It is the responsibility of all citizens to watch over our valuable and limited resources. Our model is one that is built on the notion that the supplier should take total responsibility for the process and assure compliance with all the rules and regulations along the way."

Hoveround was founded in 1992 out of a growing need for innovative products and services to restore independent living for the disabled in the home environment. The company both manufactures and markets power **wheelchairs** directly to the consumer. In order to assure continued, consistent adherence to governmental regulations, Hoveround instituted a Corporate Compliance Plan in 1998 and is currently the only national health care organization in the mobility industry to obtain both ISO 9001:2000 certification and JCAHO accreditation for Home Medical Equipment and Rehabilitation Technology Supplier. Its power

wheelchairs are recognized by the US Customs Department to be "made in America." For more information, visit Hoveround's web site at www.hoveround.com or call 1-800-771-6565.