



*Caring that Feels Right at Home*

## Press Release

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### **American Association for Homecare Supports Crackdown on Medicare Scammers in Houston, Boston, New York, Louisiana**

#### ***Association's Anti-Fraud Legislative Plan Will Yield Cost-Savings for Healthcare Reform and Stop Waste, Fraud, and Abuse in Medicare***

ARLINGTON, VA, July 30, 2009 – The American Association for Homecare strongly supports the recent Medicare Fraud Strike Force crackdown on Medicare fraud in Houston, Boston, New York and Louisiana. Medicare fraud takes vital resources away from seniors and patients. Reducing fraud and abuse in Medicare is an effective way to reduce healthcare costs and improve quality of care. The American Association for Homecare urges Congress to adopt its Anti-Fraud Legislative Plan, which includes tough measures to eliminate fraud and abuse before it starts.

“We have zero tolerance for illegal activity,” said American Association for Homecare President Tyler J. Wilson. “Eliminating fraud and abuse will benefit patients and seniors by lowering costs and increasing quality of care. We urge Congress to adopt new regulations, like those outlined in our 13-point plan, and we support tough enforcement actions, like those carried out by the Medicare Fraud Strike Force.”

This past May, Attorney General Eric H. Holder Jr. and Health and Human Services Secretary Kathleen Sebelius launched a joint effort to “fight Medicare fraud and protect taxpayer dollars.” Yesterday’s crackdown in Houston was the third major sweep since the effort began.

Earlier this year, the American Association for Homecare urged members of Congress to adopt a Medicare Anti-Fraud Legislative Plan. This plan outlines tough, effective steps to stop waste, fraud, and abuse in Medicare’s home medical equipment (HME) sector early or before it starts. Among the provisions detailed in the legislative proposal are more rigorous quality standards, increased penalties for fraud, mandated site inspections for new providers, and real-time claims analysis.

On May 6, 2009, Sen. Martinez introduced Seniors and Taxpayers Obligation Protection (STOP) Act, S. 975, which incorporates some of the anti-fraud measures proposed by AAHC in the 13-Point plan, such as:

- Pre-enrollment site visits and unannounced site visits for new home medical equipment providers;
- Site visits for current providers that are re-enrolling, as well as an unannounced site visit after re-enrollment;
- Real-time data analysis (like that used to identify credit card charging patterns) to identify and investigate unusual billing and ordering practices that could indicate fraud or abuse; and

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- Checks to ensure that the provider is qualified and enrolled to bill the type of item or service that is on the claim for reimbursement.

The American Association for Homecare believes more must be done to stop fraud and abuse in the Medicare system and has been working with the Congress and Centers for Medicare & Medicaid Services (CMS) to move some of these proposals forward. For more information about the Medicare Anti-Fraud Legislative Action Plan, please visit: [www.aahomecare.org/stopfraud](http://www.aahomecare.org/stopfraud). Please find the full plan below:

- 1) Mandate Site Inspections for All New Home Medical Equipment Providers**  
A July 2008 GAO report underscored the need for CMS to ensure that its contractors are conducting effective site inspections for all new applicants for a Medicare supplier number.
- 2) Require Site Inspections for All HME Provider Renewals**  
All renewal applications should require an in-person visit by the National Supplier Clearinghouse (NSC), the contractor that CMS uses to ensure integrity in the Medicare program.
- 3) Improve Validation of New Homecare Providers**  
Additional validation of new providers should be included in a comprehensive and effective application process for obtaining a Medicare supplier number.
- 4) Require Two Additional Random, Unannounced Site Visits for All New Providers**  
Two unannounced site visits should be conducted by NSC during the first year of operation for new HME providers.
- 5) Require a Six-Month Trial Period for New Providers**  
The NSC should issue a provisional, non-permanent supplier number to new suppliers for a six-month trial period. After six months of demonstrated compliance, the provider would receive a “regular” supplier number.
- 6) Establish an Anti-Fraud Office at Medicare**  
CMS should establish an office with the sole mandate of coordinating detection and deterrence of fraud and improper payments across the Medicare and Medicaid programs.
- 7) Ensure Proper Federal Funding for Fraud Prevention**  
Increase federal funding to ensure that NSC completes site inspection and other anti-fraud measures.
- 8) Require Post-Payment Audit Reviews for All New Providers**  
Medicare’s program safeguard contractors should conduct post-payment sample reviews for six months worth of claims submitted to Medicare by new providers.
- 9) Conduct Real-Time Claims Analysis and a Refocus on Audit Resources**  
Medicare must analyze billings of new and existing providers in real time to identify aberrant billing patterns more quickly.
- 10) Ensure All Providers Are Qualified to Offer the Services They Bill**  
A cross-check system within Medicare databases should ensure that homecare providers are qualified and accredited for the specific equipment and services for which they are billing.
- 11) Establish Due Process Procedures for Suppliers**  
CMS should develop written due process procedures for the Medicare supplier number process, including issuance, denial and revocation of the Medicare supplier number. The procedures must include, for example, an administrative appeals process and timelines.
- 12) Increase Penalties and Fines for Fraud**  
Congress should establish more severe penalties for instances of buying or stealing beneficiaries’ Medicare numbers or physicians’ provider numbers that may be used to defraud the government.
- 13) Establish More Rigorous Quality Standards**  
Ensure that all accrediting bodies are applying the same set of rigorous standards and degree of inspection to their clients.

*The American Association for Homecare represents durable medical equipment providers, manufacturers, and other organizations in the homecare community. Members serve the medical needs of millions of Americans who require oxygen equipment and therapy, mobility assistive technologies, medical supplies, inhalation drug therapy, home infusion, and other medical equipment and services in their homes. The Association's members operate more than 3,000 homecare locations in all 50 states. Visit [www.aahomecare.org](http://www.aahomecare.org).*

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