



*Caring that Feels Right at Home*  
**Press Release**

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**American Association for Homecare to Propose  
Medicare Anti-Fraud Legislative Action Plan to Congress**

*American Association for Homecare & Members to Propose 13-Point Legislative Plan  
to Stop Waste, Fraud and Abuse in Medicare, Recommend Increased Penalties,  
Tougher Standards and Site Inspections*

ARLINGTON, VA, February 10<sup>th</sup>, 2009 – During a scheduled visit to Members of Congress on Capitol Hill tomorrow, the American Association for Homecare and its members will urge Congress and the Centers for Medicare & Medicaid Services (CMS) to adopt the Medicare Anti-Fraud Legislative Plan. Developed by the American Association for Homecare, this legislative action plan outlines tough, effective measures to stop waste, fraud and abuse in Medicare’s home medical equipment sector.

“The tremendous benefits of homecare for patients and for the health care system have too often been obscured by the actions of a few bad actors,” said Tyler J. Wilson, president of the American Association for Homecare. “The American Association for Homecare and its members want to work with Congress and CMS to take tough new steps to prevent fraud and abuse in Medicare because the homecare sector has zero tolerance for illegal activity. This kind of abuse of the system leads to a disgraceful waste of taxpayers’ dollars and represents theft of resources needed by seniors and people with disabilities.”

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.

“This action plan is a tangible demonstration of our commitment to stopping fraud and abuse in the system, and it is a proactive solution that will be far more effective than unnecessary Medicare cuts to the homecare medical equipment sector that only harm patients and seniors,” said Tyler J. Wilson. “Our proposed legislative plan is tailored to target the source of the problem, stopping fraud and abuse where it starts in the system.”

In the Medicare Anti-Fraud Legislative Plan, the American Association for Homecare proposes the following 13 specific recommendations to stop fraud and abuse in the homecare sector:

**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.

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*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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