



Care that Feels Right at Home

Press Release

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American Association for Homecare Pushes for More Effective Anti-Fraud Actions for Medicare

ARLINGTON, VA, October 6, 2008 ---- The American Association for Homecare supports anti-fraud efforts announced today by the Centers for Medicare and Medicaid Services (CMS), the federal agency in charge of Medicare. However, the Association believes that even more must be done to keep criminals out of Medicare.

The Association has been urging Congress and CMS to enact tougher, more stringent up-front controls along with real-time claims monitoring for those hoping to furnish home medical equipment and services to Medicare beneficiaries.

Earlier this year, the American Association for Homecare recommended to Congress several anti-fraud measures that were incorporated into the Seniors and Taxpayers Obligation Protection (STOP) Act of 2008, S. 3164, a bill to reduce Medicare fraud, which was introduced on June 19, 2008.

Specifically, the Association has already recommended that Congress enact the following steps, among others:

- Increase real-time monitoring of claims submitted by providers.
- Require that the National Supplier Clearinghouse (NSC) conduct an additional, unannounced site visit within the first six months of operation for new home medical providers. NSC is charged with preventing fraud and ensuring the integrity of the Medicare program.
- Apply a Medicare surety bond requirement (authorized by Congress in 1997) to new providers of home medical equipment and services in Medicare but exempting those that have achieved accreditation from organizations approved by the government.

The Association is currently working on an additional, comprehensive set of anti-fraud recommendations that it will propose to Congress. That proposal will address steps to verify that Medicare claims are legitimate, ensure that CMS has the resources it needs to stop fraud, among other measures.

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“It has been too easy for criminals, operating at the fringes, to obtain supplier numbers that allow them to participate in Medicare,” said Tyler J. Wilson, president and CEO of the American Association for Homecare. “We recommend that the federal government improve its poor enforcement track record by stopping fraud at the front-end of the Medicare claims process. Success depends on a combination of initiatives designed to further strengthen procedures regarding the issuance, renewal, and revocation of supplier numbers, as well as use of real-time claims data. Also, Congress must ensure that the agency in charge has the necessary resources to enforce the law effectively and to stop criminals from stealing money from Medicare. Spending on fraud prevention produces a high return on investment for Medicare.

“The home medical equipment profession believes in quality care for Medicare beneficiaries and fiscal responsibility within the Medicare program, which is why we have advocated over many years for stricter standards for providers. The Association will continue to work with Congress to strengthen anti-fraud policies for the home medical sector, and we hope that Congress will also address the much larger losses to Medicare fraud that occur in other sectors,” Wilson said.

On July 15, Congress enhanced fraud prevention by strengthening a statutory mandate for accreditation of home medical equipment providers and by closing a loophole that would have allowed non-accredited providers to provide services to Medicare beneficiaries. The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) mandates a September 30, 2009 deadline for accreditation of all home medical equipment providers nationwide. The Association emphasized that the deeply flawed competitive bidding program for home medical equipment, which was reformed and delayed by MIPPA, is a price-setting mechanism not an anti-fraud measure.

The Centers for Medicare and Medicaid Services (CMS) had the opportunity to phase in expedited quality improvements and anti-fraud and abuse techniques through mandatory accreditation in 70 major metropolitan areas, but chose to cancel that January, 14, 2009 deadline even though MIPPA did not require termination of this deadline. AAHomecare opposed this action.

Approximately eight million Americans require some type of medical care in their home, which reduces the length of hospital stays and keeps many Americans out of hospitals and nursing homes.

“Home care is the most cost-effective setting for health care, and it provides independence for seniors and people with disabilities,” said Wilson. “The home medical sector can help rein in spiraling Medicare costs.”

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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.