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Press Release

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American Association for Homecare Response to Sen. Baucus Healthcare Plan:

Home Medical Sector Applauds Shift in Focus on Home-based Care and Favors Specific Steps to Prevent Fraud Rather than Competitive Bidding, which Does Not Address the Problem

ARLINGTON, VA, November 12, 2008 ---- The American Association for Homecare applauds U.S. Senator Max Baucus (D-Mont.) for proposing healthcare policies that “shift the focus from institutional care to services provided in the home and community” to improve quality of care and reduce costs. But the Association strongly disagrees with the idea, also proposed today in the Baucus healthcare plan, that competitive bidding is an anti-fraud program and is a sound payment methodology for home medical equipment and services in Medicare.

“The underlying rationale for competitive bidding completely misrepresents the nature of home medical equipment and related services that are integral to homecare,” said Tyler J. Wilson, president and CEO of the American Association for Homecare. “Competitive bidding would reduce quality of care and access to homecare for millions of seniors and people with disabilities.”

Last month, the American Association for Homecare announced 13 specific recommendations that would eliminate most of the Medicare fraud attributed to the home medical equipment sector. The specific recommendations made by the Association include mandated site inspections for all new home medical equipment providers, unannounced site visits, a six-month trial period for new providers, proper federal funding for fraud prevention, post-payment audits, real-time claims analysis, more rigorous quality standards, and increased penalties, among other recommendations. The Association is sharing its anti-fraud recommendations with Medicare and its contractors, Congress, the Department of Justice, and the FBI. For details about the 13-point plan, visit the newsroom at www.aahomecare.org.

“The homecare sector has zero tolerance for fraudulent activity,” Wilson said. “Those who perpetrate fraud are rarely legitimate home medical equipment providers. The federal agency that oversees Medicare has done a poor job of keeping cheats, fraudsters, and other bad actors from masquerading as home medical providers.”

The Association has been working with Congress and regulators over the past year to adopt tougher, more effective measures to combat Medicare fraud. 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.

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On July 15, Congress enhanced fraud prevention by strengthening a statutory mandate for accreditation of home medical equipment providers and 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 is on record as noting that the 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 Association believes that the federal government should not arbitrarily limit the number of homecare providers who furnish care to seniors and people with disabilities. The number of providers should be determined by the marketplace.

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.

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.