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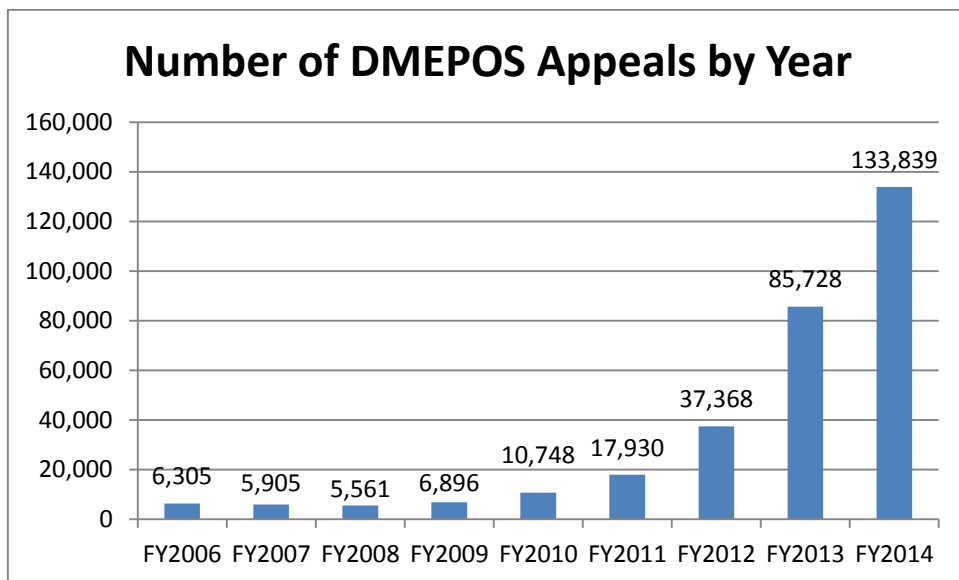
## **AAHomecare Releases Analysis of Medicare Claims Backlog** *Wait Time for Audit Appeals Increased by Nearly 25% in 2015*

**Washington, DC** – The American Association for Homecare (AAHomecare) today released an analysis of the Office of Medicare Hearing and Appeals (OMHA) appeals backlog, using data available on the [OMHA website](#). The analysis has uncovered that in spite of reports from OMHA indicating improvement, in the first half of 2015, the wait time has increased by nearly 25 percent, with June posting an average processing time of 714.9 days.

“It is painfully obvious that this system is broken, but no measures are being taken to fix the root of the problem,” said Kim Brummett, vice president of regulatory affairs at AAHomecare. “DMEPOS claims are different, and need to be treated as such. Home medical equipment providers are dealing with the same patient and same service/item on an ongoing basis over a period of time. When the first claim is denied, all of the subsequent claims for the same patient and service are denied. However, when the previous claim is overturned, it does not mean that any other claims for the same patient and same service will be paid/overturned at any level. This cycle traps a large volume of claims in a system that cannot handle them properly.”

Highlights from the analysis include:

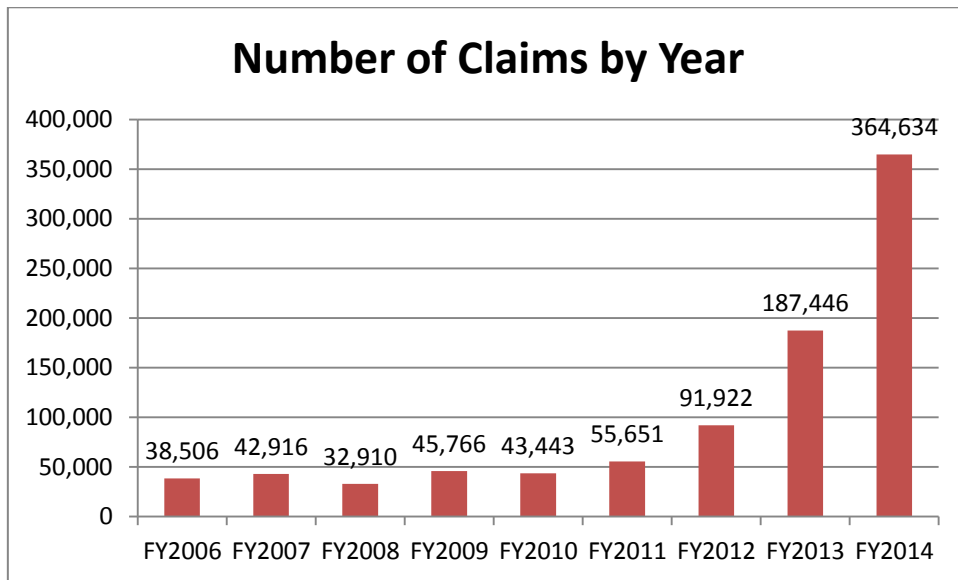
- Significant increases in the number of appeals in DMEPOS since 2006.



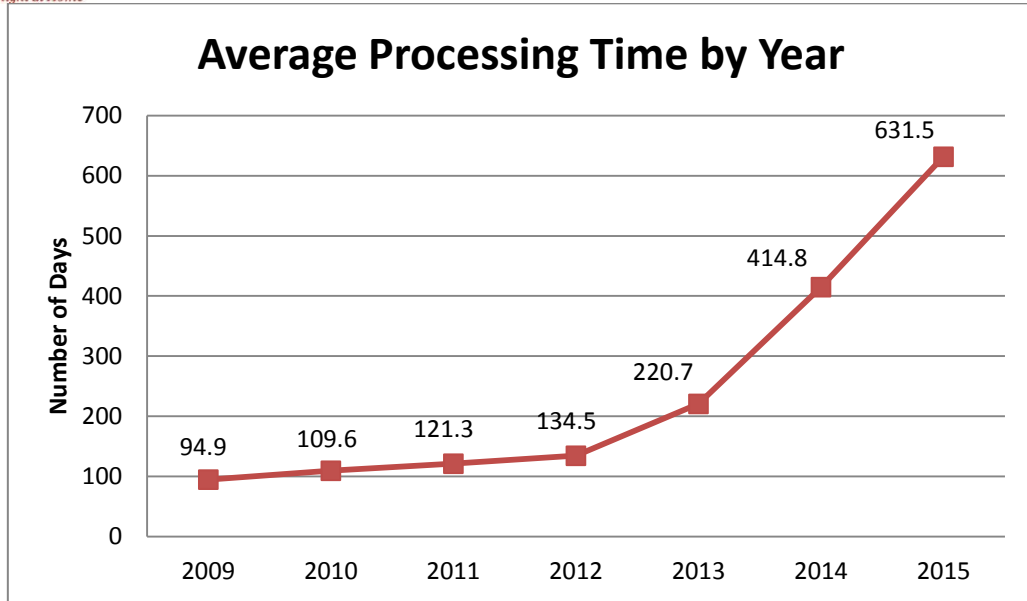
- In FY2006, there were 6,305 DMEPOS appeals at the ALJ, by FY2014, there were 133,839 appeals. This is a 2122% increase in 8 years.
- On average between FY2006-FY2014, DMEPOS appeals have accounted for 25% of the total appeals at the ALJ, ranging from 18%-32%.



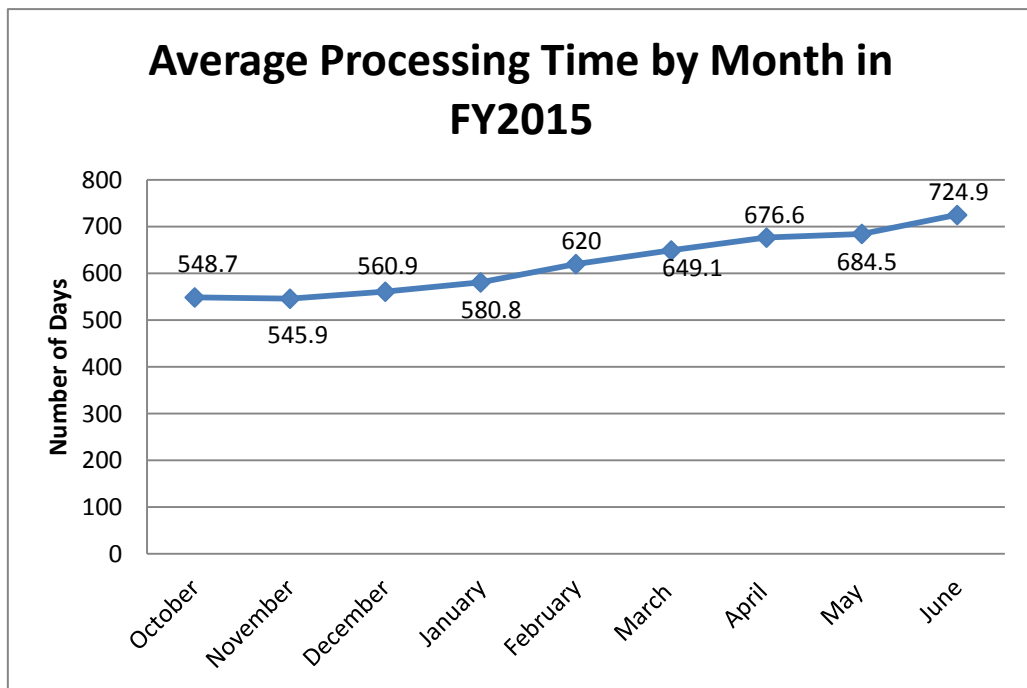
- Within the first half of FY2014, there were 289,000 appeals at the ALJ, which is approximately 75% of the total number of appeals that were at the ALJ in FY2013.
- Overall, there was 545% increase in the number of appeals from FY2011-FY2013 at OMHA. In FY2011, there were a total of 60,000 appeals and by FY2013, there were 384,000 appeals.
- There were also significant increases in the number of DMEPOS claims held at the ALJ since FY2006.



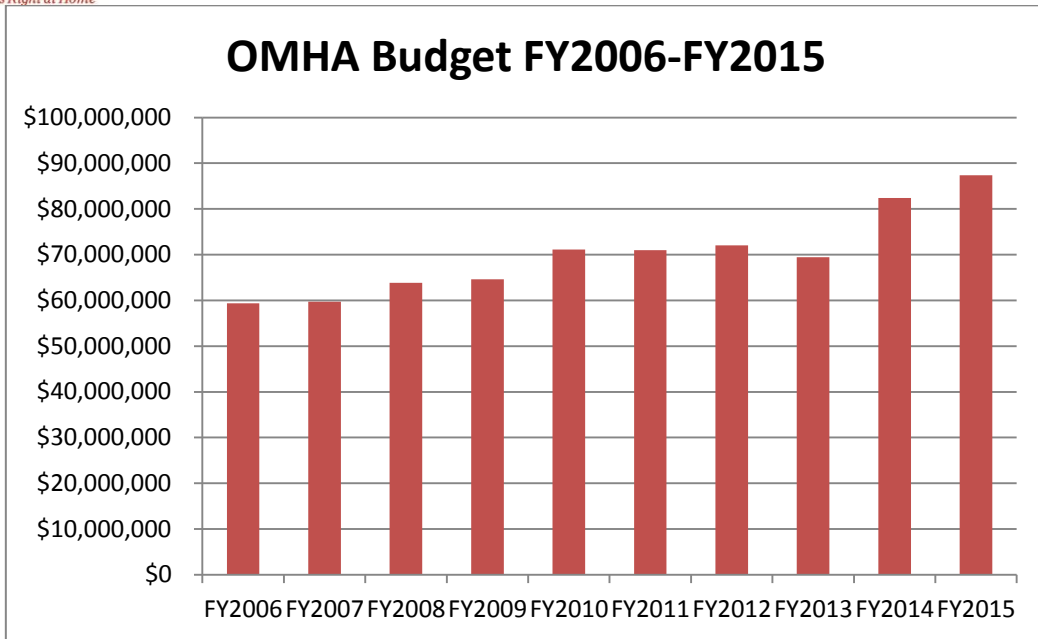
- In FY2006, there were 38,506 DMEPOS claims at the ALJ, by FY2014, there were 364,634 claims. This is a 947% increase in 8 years.
- On average between FY2006-FY2014, DMEPOS claims accounted for 30% of total claims, ranging from 20%-42.5%.
- There has been a significant increase in the average processing time for appeals at the ALJ. In FY2009, it took about 3 months to get a response, but by FY2015, the wait time has increased to over 2 years.



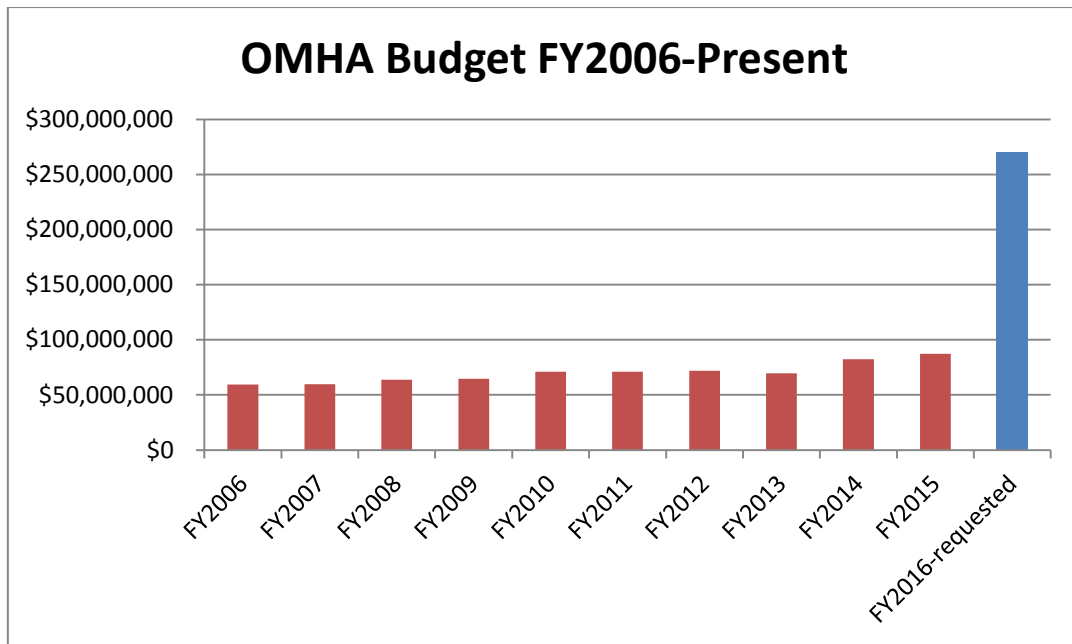
- Average processing time has steadily increased this year. Just within the first half of the year, the wait time has increased by nearly 25%.



- At the current rate, it is projected that OMHA will have 3 million appeals by the end of FY2016.
- On average, OMHA's budget for the past decade has been approximately \$70 million. The budget has increased from about \$59.4 million in FY2006 to \$87.4 million in FY2015.



- OMHA requested a \$270 million budget for FY2016. This is a \$182.6 million increase from FY2015 budget (~\$87.4 million).



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The American Association for Homecare represents providers of home medical or durable medical equipment and services who serve the needs of millions of Americans who require prescribed oxygen therapy, wheelchairs, enteral feeding, and other medical equipment, services, and supplies at home. Visit [www.aahomecare.org](http://www.aahomecare.org).