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# OIG NEWS

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For Immediate Release  
(202) 619-1343  
March 30, 2007

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Department of Health and Human Services  
330 Independence Avenue SW.  
Washington, DC 20201

## OIG ISSUES REPORT ON SOUTH FLORIDA SUPPLIERS' COMPLIANCE WITH MEDICARE REQUIREMENTS

*Studies Recommend Strengthening Supplier Enrollment Process*

**Washington, DC** — Inspector General Daniel R. Levinson announced today that the Office of Inspector General (OIG) for the Department of Health and Human Services issued a report on compliance of suppliers of durable medical equipment, prosthetics, orthotics, and supply (DMEPOS) with selected Medicare requirements. The report, entitled “South Florida Suppliers’ Compliance With Medicare Standards: Results From Unannounced Visits,” contains the findings of site visits to medical equipment suppliers in Miami-Dade, Broward, and Palm Beach Counties. These counties were targeted for review based on previous allegations of supplier noncompliance with Medicare standards.

Working in collaboration with the Centers for Medicare & Medicaid Services (CMS) and the National Supplier Clearinghouse, OIG inspected 1,581 suppliers to assess their compliance with selected Medicare supplier standards. The OIG focused on five specific requirements, which state that suppliers must: (1) maintain a physical facility, (2) be open and staffed during business hours, (3) have a visible sign, (4) post hours of operation, and (5) maintain listed telephone numbers.

During the site visits, OIG found that 45 percent of DMEPOS suppliers in the three South Florida counties did not comply with at least one of the five standards reviewed. Thirty-one percent of suppliers did not comply with the first two requirements of maintaining a facility at the business addresses that they provided to Medicare and being open for business during posted hours. Another 14 percent of the Florida suppliers were open but failed to meet at least one of the three remaining requirements that OIG reviewed.

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“It is clear that Medicare continues to be highly vulnerable to DMEPOS fraud and abuse,” said Inspector General Levinson. “It is vital that we protect Medicare beneficiaries from unscrupulous suppliers who are gaming the system at the expense of our Nation’s seniors and taxpayers. Our colleagues at CMS share our goal of ensuring program integrity and I am pleased that they have agreed with many of our recommendations.”

Based on the findings, OIG recommended that CMS strengthen the supplier enrollment process and ensure that suppliers meet Medicare standards through several actions, which include conducting more unannounced site visits and out-of-cycle inspections, performing more rigorous background checks of applicants, increasing the prepayment review of DMEPOS claims, and deactivating the Medicare billing numbers of DMEPOS suppliers that have been inactive for a 90-day period.

In a separate report released at the same time, OIG documented the results of out-of-cycle site visits to 169 DMEPOS suppliers not located in Florida. The report, entitled “Medical Equipment Suppliers: Compliance With Medicare Enrollment Requirements,” notes that 10 of the 169 suppliers did not have a physical location and that an additional 6 of the suppliers existed at their stated business address but were closed during posted hours of operation. OIG’s findings suggest that out-of-cycle visits of targeted DMEPOS suppliers may be warranted in other areas of the country.

To read the full reports, please go to:

South Florida: <http://oig.hhs.gov/oei/reports/oei-03-07-00150.pdf>

Other Areas: <http://oig.hhs.gov/oei/reports/oei-04-05-00380.pdf>

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