



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Grassley says new report underscores need to crackdown  
on fraud and abuse of power wheelchair reimbursements by Medicare

WASHINGTON — Sen. Chuck Grassley today reiterated his call for Medicare officials to act quickly to stop the scams and end the waste that riddle its power wheelchair program.

"Every dollar that's lost to waste, fraud and abuse is a dollar that doesn't go to beneficiaries who need the services and equipment provided by Medicare," Grassley said. "With power wheelchairs, the greedy are too often taking what should go to the needy."

Grassley said he will continue to keep the pressure on Medicare to curb the rapid rise in spending for power wheelchairs given the findings of a report released today by the Government Accountability Office. "The system that's supposed to monitor these Medicare expenditures is broken down. Medicare has an obligation to both beneficiaries and taxpayers to get that system fixed," he said.

At Grassley's request, the Government Accountability Office reviewed the safeguards in place to control government spending on power wheelchairs and found them to be ineffective. The study attributed an almost five-fold increase in Medicare spending on power wheelchairs over four years to fraud, inadequate oversight by the Centers for Medicare and Medicaid Services, misleading marketing practices and power wheelchair design advances. In 2003, Medicare paid almost \$1 billion for power wheelchairs. Since 1999, spending by Medicare for power wheelchairs increased more than 450 percent.

Today's report recommends that Medicare officials establish a process to more quickly respond to indications of potentially improper spending for durable medical equipment, revise documentation requirements to improve claims adjudication, develop a more prescriptive standard for appropriate marketing practices by equipment suppliers, and improve its own inspection process to routinely conduct out-of-cycle inspections of suppliers.

The Government Accountability Office said that the Medicare program was warned about problematic trends with power wheelchair reimbursements but took no action until October 2003, with a crackdown effort called "Operation Wheeler Dealer." This plan has been described by government investigators as a good start, albeit late.

Last April Grassley held an oversight hearing of the Senate Committee on Finance to draw attention to problems with Medicare expenditures for power wheelchairs. Grassley is chairman of the committee. The hearing featured an audit by the inspector general for the Department of Health and Human Services and testimony from the Government Accountability Office about the final report released today.

A copy of the report is available online at [www.gao.gov](http://www.gao.gov). The reference number is GAO-04-1032 for the report titled "Medicare: CMS's Program Safeguards Did Not Deter Growth in Spending for Power Wheelchairs."