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## **MEDICARE NEWS**

### **OIG NEWS**

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#### **NEW EFFORTS AIMED AT STOPPING ABUSE OF THE POWER WHEELCHAIR BENEFIT IN THE MEDICARE PROGRAM**

The Centers for Medicare & Medicaid Services today announced a 10-point initiative to substantially curb abuse of the Medicare program by unscrupulous providers of power wheelchairs and other power mobility products who prey on Medicare beneficiaries.

At the same time the Department of Health and Human Services Office of Inspector General (OIG) said it is investigating the proliferation of durable medical equipment (DME) fraud cases involving inflated billings to Medicare, charges for equipment and supplies not delivered, and the falsification of documents to qualify beneficiaries for wheelchairs and other equipment that they often did not need.

“Spending on power wheelchairs has increased nearly 450 percent over the last 4 years, an unprecedented growth in this benefit,” said CMS Administrator Tom Scully. “While many of these wheelchairs are provided by ethical suppliers and go to beneficiaries in need, we know that a great number of unscrupulous suppliers are promising free wheelchairs to beneficiaries who don’t need them. We are taking immediate action to stop these scams.”

Acting Principal Deputy Inspector General Dara Corrigan warned Medicare beneficiaries to be suspicious of offers of “free” scooters and other enticements from unscrupulous suppliers.

“DME fraud is a major and increasingly serious problem that costs taxpayers billions in lost and wasted dollars and deprives vulnerable beneficiaries of the care and support they need,” Corrigan said. “The perpetrators of these fraudulent

schemes face serious consequences, including fines, jail time, and exclusion from doing business with Medicare and other federal health programs.”

CMS plans to start its nationwide clean-up campaign in Texas, where recent reports from the CMS Dallas Regional Office and a Houston newspaper have highlighted a growing and very serious financial threat that improper spending on wheelchairs poses to the Medicare program. In Harris County, Texas alone, Medicare paid for more than 31,000 power wheelchairs in 2002, compared to just over 3,000 power wheelchairs in 2001. HHS agencies will work with the Department of Justice in attacking the problem.

"We are encouraged by the decisive action taken today by the Department of Health and Human Services to stem the tide of this widespread and systemic fraud," said United States Attorney Michael T. Shelby of the Southern District of Texas. "We will continue to focus our efforts on identifying and bringing to justice all those who have so blatantly defrauded the government and the taxpayers."

Nationally, total Medicare payments for motorized wheelchairs increased from \$289 million in 1999 to \$538 million in 2001, with payments of over \$845 million in 2002, and a projected \$1.2 billion for 2003. By contrast, overall Medicare benefit payments rose only 11 percent during that same period.

The number of Medicare beneficiaries with at least one claim for a motorized wheelchair rose from just over 55,000 in 1999 to almost 159,000 in 2002, an increase of 189 percent, while the overall Medicare population rose only 1 percent per year during that same time period.

“This abuse is an insult to all Americans who pay taxes. It’s got to stop,” Scully said. “Our 10-point campaign is an aggressive way to end this exploitation of the Medicare program.”

Under the campaign, dubbed “Operation Wheeler Dealer,” Medicare will be able to support honest providers and target those who are exploiting the program. CMS will aggressively review applications from companies that seek to provide power wheelchairs to ensure they meet reputable business standards of operation.

Existing power wheelchair suppliers in the Harris County, Texas market will be required to receive education on the proper coverage and utilization of power wheelchairs or have their billing privileges suspended. In addition, claims for power wheelchairs will undergo special federal scrutiny from CMS clinicians before payment can be made.

Other initiatives will clarify rules and provide beneficiaries with information to protect themselves against unscrupulous suppliers.

“Operation Wheeler Dealer” is a campaign of aggressive review and enforcement of supplier enrollment standards, training of suppliers in the Houston area, increased physician and beneficiary awareness, and regulatory enhancements to ensure that Medicare pays for medically necessary wheelchairs for its beneficiaries.

The 10 points include:

1. To prevent fraudulent suppliers from enrolling with Medicare for the sole purpose of receiving inappropriate payments, CMS will immediately begin aggressively scrutinizing all new applications for supplier numbers. Because of this increased scrutiny, we do not anticipate issuing any new supplier numbers until early 2004.
2. CMS will publish regulations that will enhance the ability to screen new supplier applications to identify and prevent inappropriate enrollment of suppliers by providing a more detailed screening process, allowing CMS the time needed to properly review applications, and providing sanctions against suppliers abusing the enrollment process.
3. To address the rampant fraud and abuse in the Harris County, Texas area, effective immediately, all payments for motorized wheelchairs will be personally and individually approved by CMS staff on a special task force based in the Dallas Regional Office.
4. So that CMS can be sure that all wheelchair providers in Harris County know and understand Medicare coverage rules, CMS will require all wheelchair suppliers to attend mandatory training overseen by the Dallas Regional Office on wheelchair coverage and medical review policies.
5. To quickly identify and punish fraudulent suppliers, CMS, Durable Medical Equipment Regional Carriers (DMERCs), and law enforcement agencies will collaborate to process fraud cases and assure aggressive, timely application of sanctions, and civil or criminal prosecutions. CMS will exercise one of its strongest administrative tools, payment suspensions, to stop the improper hemorrhaging of Medicare dollars.
6. CMS will finalize regulations revising coverage policy for motorized wheelchairs and scooters to assure that national policy accurately defines the conditions under which Medicare will cover mobility products. This policy will require, for the first time, that the medical provider see the patient before prescribing a wheelchair or scooter. However, the medical provider may

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prescribe either a motorized wheelchair or a power-operated vehicle. Under existing policy, only a specialist may prescribe a POV.

7. DMERCs will immediately adopt Local Medical Review Policies (LMRP) that accurately portray the clinical conditions for which mobility products are reasonable and necessary. This will educate suppliers and beneficiaries on when wheelchairs will be paid for by Medicare and will facilitate correct billing and payment for mobility products.
8. Additionally, the DMERCs will adopt a consistent approach to medical review so that when national billing and utilization trends are identified, Medicare knows that only claims that are reasonable and necessary are paid and that national billing problems are resolved in a consistent manner.
9. So that Medicare can be assured that it is paying appropriately for motorized wheelchairs, CMS will develop inherent reasonableness review guidelines. Motorized wheelchairs will be the first item analyzed for potential inherent reasonableness adjustments.
10. To put physicians and beneficiaries back in charge of their mobility equipment decisions, CMS will work with physicians to clarify their prescribing responsibilities, and beneficiaries, explaining their role and Medicare coverage criteria.

The OIG is continuing its investigation of suspicious providers and is analyzing overall compliance with Medicare coverage policies. In addition, the OIG is examining prices paid by Medicare for motorized wheelchairs to determine whether the amounts charged by providers are reasonable.

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