



AAHomecare Supports Improved Oversight and Analysis of Potentially Fraudulent or Abusive Medicare Billing Behavior

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In early February, a national association representing accountable care organizations released information about potentially \$2 billion in fraudulent Medicare billings for intermittent catheters. According to news articles covering the event, seven companies submitted claims for catheters that were never prescribed by physicians, sent by manufacturers and suppliers, nor received by Medicare patients. Medicare billings for catheters increased from \$153 million in 2021 to \$2.1 billion in 2023, according to the ACO organization; and for these seven suppliers, from 14 patients in 2021 to 12,000 patients in late 2022 to 406,000 patients in 2023.

The American Association for Homecare (AAHomecare) is the national association representing durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) suppliers, manufacturers, and other stakeholders in the homecare community. Our members are proud to be part of the continuum of care that assures beneficiaries and other patients receive cost effective, safe, and reliable home care products and services.

AAHomecare is appalled at the level of fraud that occurred from what appears to be outright criminal elements that preyed on Medicare's vulnerabilities using the catheter benefit. Our members confirm that all of these catheter claims involved electronic or paper filings without any connection to real orders for catheters.

AAHomecare strongly supports the ability of the federal government to implement real time monitoring of submitted claims to detect potentially aberrant or abusive behavior. The banking industry utilizes a model of fraud detection that monitors consumer banking activity to detect unusual activity in real time. The Medicare program should adopt similar types of fraud detection technology.

AAHomecare has long supported federal government initiatives to better monitor DME supplier billing practices and trends. Those recommendations include:

- Increased monitoring and scrutiny of claims submitted by DME suppliers who are new to the Medicare program.
- Increased monitoring and scrutiny of claims submitted by DME suppliers that submit claims for new product categories.
- Close monitoring of significant increases or spikes in claims submissions for a specific product category over a short period of time.

- Supporting electronic prescribing between physicians and suppliers; would only allow legitimate and verifiable prescriptions for the benefit and safety of patients while allowing payer insight to mitigate abusive billing practices.

AAHomecare fully supports increased efforts to monitor, detect and eradicate fraudulent Medicare billings, but urges policy makers to ensure that those efforts do not jeopardize beneficiary safety and access to medically necessary items and services, and do not penalize DMEPOS suppliers providing medically necessary items and services upon the prescription of an ordering physician.

This level of alleged fraud is a travesty to the Medicare program and U.S. taxpayers. It is particularly unfortunate as the industry has been working in collaboration with clinical, patient and disability organizations to convince CMS to refine the HCPCS coding system for intermittent catheters. A more nuanced HCPCS coding system for intermittent catheters would provide program integrity benefits, enabling Medicare and other payers to better understand which intermittent catheter products are being provided. The industry is ready to work with policy makers to reduce or eliminate fraud and abuse while improving the intermittent catheter benefit to improve access to patient care.