

# Prior Authorization of Power Mobility Devices (PMD) Demonstration: Executive Summary



# Prior Authorization of Power Mobility Devices (PMDs)

## Who

- Durable Medical Equipment Medicare Administrative Contractors (DME MAC) will review prior authorization requests for scooters and power wheelchairs (collectively referred to as PMDs) under Fee-For-Service.

## What

- Scooters- costing \$1500
- Power wheelchairs- costing upwards of \$3,600 over the course of the rental

## When

- Starting for orders written on or after September 1, 2012

## Where

- 7 high fraud states: CA, IL, MI, NY, NC, FL and TX
  - These 7 states accounted for 43% of the roughly \$606 M spent annually on PMDs.

HHS OIG recently reported that **80 percent** of claims for power wheelchairs did not meet Medicare coverage requirements.

- Source: <http://oig.hhs.gov/newsroom/news-releases/2011/wheelchair-medicare.asp>

# CMS Adopts Changes in Response to Industry Feedback

- The CMS delayed the demonstration until **September 1, 2012**. During the delay:
  - Received an OMB control number associated with the separate **Paperwork Reduction Act (PRA)** Package for the demonstration
  - Conducted outreach and education
  - Prepared the DME MACs
- The CMS has removed the **100% Pre-Payment** review phase (formerly Phase 1).
- The CMS will allow **suppliers to submit** the prior authorization request on behalf of the physician/practitioner.
- The CMS has reduced the review time on resubmissions to **20 business days**.

# Prior Authorization

- Ordering **physician/practitioner or supplier** submits a prior authorization request to the DME MAC including:
  - Face-to-face evaluation documentation (Nationwide Physicians can use templates)
  - 7 element order
  - Detailed product description
  - Any other medical documentation to support the LCD requirements.

# Prior Authorization

- The DME MAC will review request and postmark notification of a written decision within **10 days** to the Physician/practitioner, Beneficiary and Supplier.
- The DME MAC will:
  - Affirm (approve) the request or,
  - Non-affirm (deny) the request. If non-affirm, DME MAC will provide detailed written explanation outlining which specific policy requirement(s) was/were not met.
    - **Unlimited requests** may be submitted.
    - DME MAC will review SUBSEQUENT requests within **20 days**.

# Scenario

	Prior authorization request is	The DME MAC decision is	The supplier chooses to	The DME MAC will
1	Submitted	Affirmative	Submit a claim	Pay the claim (as long as all other requirements are met).
2	Submitted	Non- Affirmative	a. Submit a claim b. Fix and resubmit a PA request	Deny the claim.
3	Not submitted	N/A	Submit a claim ( <b>Competitive Bid Supplier</b> ).	<ul style="list-style-type: none"> <li>• <b>Develop the claim.</b></li> <li>• Review the claim.</li> <li>• If payable for contract bid winner, pay at scheduled amount.</li> </ul>
4	Not submitted	N/A	Submit a claim ( <b>Non Competitive Bid Supplier</b> ).	<ul style="list-style-type: none"> <li>• <b>Develop the claim.</b></li> <li>• Review the claim.</li> <li>• If payable for non-contract bid winner, pay at 75%.*</li> </ul>

# Oversight of Contractors

- Frequent meetings with the DME MACs
- Weekly and Monthly Reports including:
  - Workload information
  - Average processing time
  - Appeals
- Continued engagement of stakeholders

# Evaluation of Demonstration Outcomes

- Has the demonstration developed improved methods for the investigation and prosecution of fraud?
- Did the demonstration have an effect on improper payments?
- What was the impact on suppliers/ practitioners/ beneficiaries?
  - What effect did this have on provider burden?
  - What effect did this have on access to care?
  - Were the financial protections of knowing before the product is delivered, welcomed?

# Summary

Where	Beneficiaries in CA, IL, MI, NY, NC, FL & TX
The demonstration will begin for:	For orders written on or after September 1, 2012
Submitted by:	Physician/Practitioner or supplier on behalf of the Physician/Practitioner.
Ends:	For orders written on or after August 31, 2015

# For More Information

Email the Prior Authorization Team	<a href="mailto:Pademo@cms.hhs.gov">Pademo@cms.hhs.gov</a>
CMS Demonstration Website	<a href="http://Go.cms.gov/PADemo">Go.cms.gov/PADemo</a>
FAQs	<a href="http://Go.cms.gov/PAFAQ2012">Go.cms.gov/PAFAQ2012</a> Keyword: PMD
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# Questions