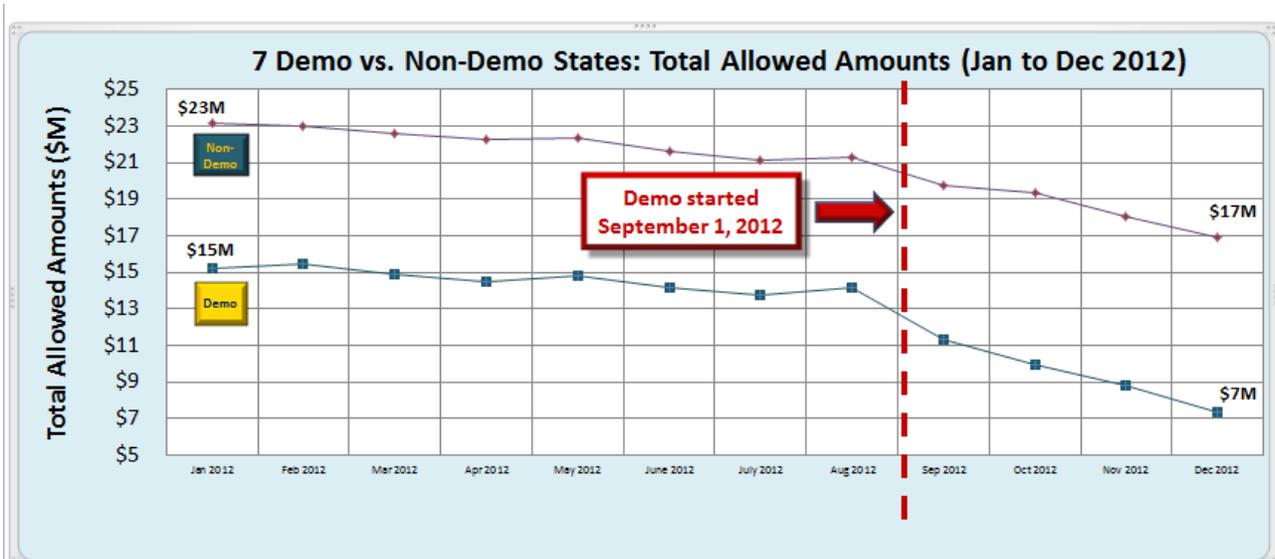


Medicare Prior Authorization of Power Mobility Devices Demonstration Status Update (posted 04/23/2013)

The Medicare Prior Authorization of Power Mobility Devices Demonstration was implemented on September 1, 2012 in CA, IL, MI, NY, NC, FL and TX. The CMS has just entered the initial stages of collecting data to analyze and evaluate the effectiveness of the demonstration.

Based on data initially collected, spending per month on power mobility devices in the 7 demonstration states (bottom line in chart) decreased after September 2012, as did spending per month on power mobility devices in the non-demonstration states (top line in chart). We believe many national suppliers have adjusted their billing practices nationwide and are now complying with CMS policies based on their experiences with prior authorization in the demonstration states.



- The demonstration was successfully implemented and is running smoothly.
- The CMS's contractors are conducting the prior authorization reviews timely (no more than 10 business days for initial submissions and 20 business days for resubmissions).
- Industry feedback has been positive thus far. Several suppliers have suggested prior authorization helps their business by providing a more predictable cash flow. These suppliers have expressed support for the demonstration and would like it to be expanded to other states and items.
- The CMS has received no complaints from beneficiaries. Prior to implementation, CMS spoke to numerous beneficiary groups that expressed support for the demonstration.

Medicare Prior Authorization of PMDs Status Update – April 2013

- As of March 12, 2013:
 - Prior Authorization Requests were submitted for over 12,000 Medicare beneficiaries. Power mobility devices were approved for all beneficiaries who met all the requirements. Those who have not been approved (roughly 50 percent) do not qualify for the benefit based on the documentation submitted, which illustrates the importance of this demonstration. A prior authorization provides more assurance to the beneficiary that the PMD is covered by Medicare and thus they may not have any out of pocket costs.
 - Over 700 Prior Authorization Requests were submitted electronically through CMS's Electronic Submission of Medical Documentation program.

The CMS will continue to closely monitor and evaluate the effectiveness of the demonstration. The CMS plans to analyze demonstration data to assist in the investigation and prosecution of fraud.