

Prior Authorization of Power Mobility Devices (PMD) Demonstration

CMS Adopts Changes in Response to Industry Feedback

CMS is pleased to announce that the Power Mobility Device (PMD) Demonstration, which was delayed from its initial January 1, 2012 start date, is expected to move forward on or after June 1, 2012. CMS has significantly modified the demonstration in response to provider and supplier concerns.

In addition, CMS will give physicians and suppliers an opportunity to provide comments and make recommendations on how to reduce provider and supplier paperwork burden associated with this demonstration (through a Paperwork Reduction Act (PRA) package which was made available on February 3, 2012.) This process will allow physicians and suppliers two opportunities to comment on the potential collection of information burden of the PMD demonstration. CMS will accept comments during a 60-day comment period and OMB will accept comments during a subsequent, 30-day comment period.

CMS has set a June 1, 2012 or later target date to begin the demonstration. CMS plans to hold several “Open Door Forums Calls” and will conduct intensive physician and supplier educational outreach.

CMS has also eliminated prepayment review (formerly Phase 1) from the demonstration. The demonstration will now only include prior authorization for PMD in the seven States (CA, FL, IL, MI, NY, NC, and TX) originally announced. It is expected that the demonstration will begin at approximately the same time in all seven states as opposed to staggered Prior Authorization start dates as originally planned.

As before, CMS will exclude participating DMEPOS Competitive Bidding contract suppliers from the demonstration’s payment reduction for submitting a claim without prior authorization decision.

For these and other changes made to the PMD demonstration, please see the below chart:

Concern	Revised Demonstration Process
Supplier maybe financially impacted by the 100 percent prepayment review phase of the demonstration.	The Demonstration has eliminated prepayment review (formerly Phase 1) and will go straight to Prior Authorization.
The ordering physician may not be in the best position to submit the prior authorization request.	The physician/ treating practitioner or supplier on behalf of the physician/ treating practitioner may perform the administrative function of submitting the Prior Authorization request.
Some states will be under 100 percent prepayment review while other states are using prior authorization.	All demonstration states will start prior authorization at approximately the same time.
There was limited notice given prior to the proposed start date.	The CMS has submitted the necessary PRA package. This will allow providers and supplier at least 60 days to comment on the collection of information burden of the demonstration.

For more information about the Prior Authorization of PMD demonstration, see <http://go.cms.gov/PAdemo>

Update February 16, 2012