

# Congress Should Require Prior Authorization for Home Oxygen and Sleep Therapy to Establish a Balanced Approach to Combat Fraud and Abuse in the Medicare Program

Fraud and abuse should be eliminated in the Medicare program in a manner that is responsible and balanced.

• The CQRC strongly supports eliminating fraud and abuse in the Medicare program. These efforts should be rational, balanced, and targeted to ensure that scarce Medicare funds are directed at activities that appropriately need to be curtailed.

### Implementing prior authorization is the best way to protect the Program and suppliers.

- Prior authorization would ensure that all documentation required to establish medical necessity for home oxygen and sleep therapies are obtained prior to the delivery of equipment. It would also eliminate the majority of home oxygen and sleep claims that enter the appeals process and add to the ever-growing backlog of claims stuck in this process.
- Managed care plans and many State Medicaid Agencies already require prior authorization for home oxygen and sleep therapy. They have proven it works.

#### Current auditing activity does not reflect a balanced approach.

- CQRC members have experienced a ten-fold increase in auditing activity during the past several years. While the initial denial rate is substantial, the objective Administrative Law Judges overturn the vast majority of these denials in favor of the suppliers. These judges often find that auditors have ignored documents submitted by suppliers and/or misinterpreted the regulatory requirements.
- The timeframe for an ALJ hearing has expanded from several months to several years. The Congress, CQRC members, and other provider organizations, remain very concerned about the backlog of claims at all levels of the Medicare appeals process.
- The current process is highly inefficient, costly, inconsistent, and burdensome for both suppliers and the federal government.

## Prior authorization is the solution to this intractable problem.

#### Who We Are

The CQRC is a coalition of the nation's eight leading home respiratory therapy providers and equipment manufactures. CQRC members currently provide home respiratory therapy to more than 600,000 program beneficiaries who rely on treatment at home to maintain their independence and enhance their quality of life. Together they employ more than 35,000 people across the United States.