

Legal and Regulatory Challenges Currently Facing Diabetes Treatment Providers and Related Durable Medical Equipment Suppliers

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Abstract

It has been estimated that 24 million Americans have diabetes, many of whom are Medicare beneficiaries. These individuals carefully monitor their blood glucose levels primarily through the use of in-home blood glucose testing kits. Although the test is relatively simple, the cumulative expense of providing glucose test strips and lancets to patients is ever increasing, both to the Medicare program and to uninsured individuals who must pay out-of-pocket for these testing supplies. This article discusses the diabetes durable medical equipment (DME) coverage under Part B Medicare, the establishment and role of DME Medicare administrative contractors, and national and local coverage requirements for diabetes DME suppliers. This article also discusses the federal government's ongoing concerns regarding the improper billing of diabetes testing supplies. To protect the Medicare Trust Fund, the federal government has contracted with multiple private entities to conduct reviews and audits of questionable Medicare claims. These private sector contractors have conducted unannounced site visits of DME supplier offices, interviewed patients and their families, placed suppliers on prepayment review, and conducted extensive postpayment audits of prior paid Medicare claims. In more egregious administrative cases, Medicare contractors have recommended that problematic providers and/or DME suppliers have their Medicare numbers suspended or, in some instances, revoked. More serious infractions can lead to civil or criminal liability. In the final part of this article, we will examine the future of enforcement efforts by law enforcement and Medicare contractors and the importance of understanding and complying with federal laws when ordering and supplying diabetes testing strips and lancets.

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Abbreviations: (CMS) Centers for Medicare and Medicaid Services, (DME) durable medical equipment, (HHS) Health and Human Services, (LCD) local coverage determination, (MAC) Medicare administrative contractor, (NCD) national coverage determination, (OIG) Office of Inspector General, (ZPIC) zone program integrity contractors

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