



Submitted Electronically to: Jerry.Mulcahy@cms.hhs.gov

November 03, 2021

Jerry Mulcahy, Director
Medicare Enrollment and Appeals Group
Center for Medicare
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Re: Request to extend Formal Telephone Discussion Component of QIC Demonstration with DME Suppliers Submitting Fee-For-Service Appeals

Dear Mr. Mulcahy,

The American Association for Homecare (AAHomecare) is the national association representing the interests of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) providers. AAHomecare members include a cross section of manufacturers, suppliers, and other industry stakeholders that make or furnish DMEPOS items that beneficiaries use in their homes. Our members are proud to be part of the continuum of care that assures that Medicare beneficiaries receive cost effective, safe, and reliable home care products and services.

AAHomecare is writing to urge the Centers for Medicare and Medicaid Services' (CMS') to extend the telephone discussion component of the Qualified Independent Contractor (QIC) Demonstration for Medicare's second level of appeals for DMEPOS items. The Demonstration, which began on January 1, 2016, allowed selected suppliers and providers to participate in a telephone discussion at the QIC level and have appeals that were pending at the Office of Medicare Hearings and Appeals (OMHA) remanded to and reopened by the QIC and resolved. The Demonstration is scheduled to end on December 31, 2021. The Demonstration has been a positive and cost-effective experience for Medicare and suppliers alike. We therefore urge CMS to extend the Demonstration until it can become permanent.

Overall, AAHomecare members had very positive experiences with the QIC Demonstration. For the following reasons, we urge CMS to extend the formal telephone discussion of the QIC Demonstration (there is no need to maintain the reopening component since OMHA has made significant process in reducing its appeals backlog):

- The QIC Demonstration has Been Cost Effective: We believe that the QIC Demonstration reduced costs for both the Medicare program and DME suppliers. First, the Demonstration effectively

reduced the Administrative Law Judge (ALJ) backlog by transferring appeals from the ALJs to the QIC Demonstration, a less expensive process to resolve these appeals. Second, the Demonstration has been more cost effective for DME suppliers because it is less costly than pursuing the appeal at the ALJ level. Since most DME claims are for relatively smaller amounts (\$300-\$400), the less expensive appeals process makes sense for DMEPOS appeals which are relatively inexpensive.

We understand that the approximate ALJ cost per claim varies based upon how appellants file appeals, and how ALJs decide to combine appeals for efficiency. Based upon unofficial information we received from CMS, we understand that the average ALJ cost per appeal in FY2016 was \$1,232, and the average ALJ cost per claim was \$242. We believe the QIC Demonstration appeals process is significantly less expensive, due to the decreased personnel involved at the QIC and the significant decrease in time it takes to resolve the appeal with the QIC contractor. The shortened time frame is a significant factor in decreasing costs for both the government and the DMEPOS supplier.

- The QIC Demonstration Helped Beneficiary Access: The QIC Demonstration helped beneficiaries access DME items for which they had a medical need. This is because the QIC Demonstration resolved the appeal more quickly than the ALJ process would have. For example, a DME rental claim that is being appealed through the ALJ system would not be resolved for 1,315 days.¹ Under the QIC demonstration, the same appeal would be resolved more quickly, in approximately 151 days.² Because the ALJ process typically takes so much longer to resolve, a DME supplier is likely to stop providing the item while waiting for resolution through the ALJ system. With the QIC Demonstration's speedier resolution of the appeal, the DME supplier would be more likely to continue providing the item, enabling the beneficiary to receive items and services throughout the period of medical need.
- The QIC Demonstration Helped Educate DME Suppliers and Improve Compliance: Our members have informed us that one of the important aspects of the QIC Demonstration was that it helped suppliers with education about the detailed Medicare coverage and other requirements, resulting in DME suppliers improved compliance with Medicare requirements. These educational successes have been the direct result of the Demonstration's telephone discussion with the reviewers, an important component of an appeals process that need to be maintained.
- CMS Has Noted it is Favorable for DME Suppliers: In documents CMS has posted online about the QIC Demonstration, CMS has noted 70% favorable outcomes for suppliers participating in the demonstration.³
- The QIC Demonstration Is Preventing Appeals from Moving to the ALJ The Telephone Demonstration allows the QIC to pull appeals from the ALJ backlog, which has been serviceable in OMHA's effort in eliminating the ALJ backlog. As CMS resumes normal audit activity, the ALJ will likely see an increase in appeals if CMS chooses to end the Demonstration.

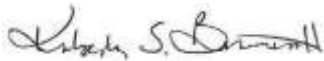
¹ Based on averages received from AAHomecare members.

² *Ibid.*

³ Medicare Appeals Demonstration 2021 Fact Sheet, *Centers for Medicare and Medicaid Services*, accessed on October 29, 2021: <https://www.cms.gov/Medicare/Appeals-and-Grievances/OrgMedFFSAppeals/Downloads/Medicare-Appeals-Demonstration-2019-Fact-Sheet.pdf>

The QIC Demonstration has effectively achieved its goals. According to CMS, the goal of the QIC Demonstration has been to educate suppliers about Medicare policies and regulations in order to improve their future billing. We believe this has been a critical component of the Demonstration's success. The QIC Demonstration has been an important and effective program in improving the Medicare appeals process for DME suppliers, and we urge CMS to extend the Demonstration until it can be made permanent. We would welcome the opportunity to discuss potential next steps and provide CMS with more detailed input.

Sincerely,

A handwritten signature in black ink, appearing to read "Kimberley S. Brummett". The signature is cursive and somewhat stylized.

Kimberley S. Brummett, MBA
Vice President of Regulatory Affairs