



For Immediate Release
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Latest Round of Audit Data Analysis Shows Promising Data — More Industry Participation Sought to Make Stronger Case for Audit Reform

Results are in from the most recent HME Audit Key survey. The latest round of results including ADRs from October 1, 2015 thru March 31, 2016, show the following:

- **Preliminary data on MAC prepayment audits shows interestingly high approval rates** – based upon the current group of participating suppliers, 69% of completed MAC prepayment audits nationwide, were paid upon review.
- Data analysis shows similarities between all sizes of participating suppliers, dispelling the myth that large or small suppliers experience more or less audits.
- Based on the products surveyed, the average rate of audits denied increased 5% between Quarter 4 of 2015 and Quarter 1 of 2016 among participating suppliers, with the average percent of audits denied by net revenue ranging from 13% to 40%.
- **Preliminary data also shows that participating companies with net revenue from \$3.6-10 million had significantly higher denial rates**—three times that of the \$0-1 million participating suppliers.

While these early results are intriguing, more participation is needed to be able to make a compelling case for audit reform to CMS and on Capitol Hill.

With two quarters of data now collected, the survey is gaining momentum. However, we **need all suppliers to participate—regardless of the number of audits you are receiving**. With increased confidence levels in the data AAHomecare will be able to tell a compelling story about the audit and appeal experience on our industry. But today's results show more participation is needed, and will yield critical data!

You can see the full [second round report here](#).

"HME suppliers are dealing with an overly-complex audit and appeal process," said Kim Brummett, vice president of regulatory affairs for AAHomecare. "If future data on overturn rates confirms results like the ones we're starting to see here, I believe we can make the case for reforms that both decrease the audit burden on suppliers and make better use of government resources. What we need now is for more suppliers to join the program and complete the next survey round."

Respiratory products are a strong example of what suppliers are experiencing. Despite the amount of audits suppliers received, early data shows only 21% of completed MAC prepayment audits of respiratory products nationwide were denied. Of those denied, 50% were appealed by suppliers and 59% of these completed appeal determinations for respiratory products were in favor of the supplier.

How do you Compare to Other Suppliers in Terms of Audits?

In addition to providing critical data for the campaign for audit reform, individual suppliers will have access to their own quarterly survey results, and will have access to aggregate survey results and key findings. Suppliers can use this information to see how they compare to others in terms of audit volumes and appeal overturn rates. So take a look at what others are doing and join in!

The [HME Audit Key](#), which launched earlier this year, will **open July 15 for the data submission period for the 2nd Quarter of 2016**.

Suppliers can go to HMEAuditKey.org to register; participation is free – you just need one of your organization's NPIs and respective 5-digit zip code to register and get started. The Audit Key does not require you to submit data on individual claims, but instead seeks cumulative counts of pre and post payment audits and appeal claim outcomes. Also available on the site are presentations that will show you how to get started, as well as support and technical assistance.

The Audit Key survey is part of the ongoing, comprehensive effort to collect data that demonstrates the burdensome nature of audits, in terms of volumes and overturn rates. Increased participation in the quarterly Audit Key surveys provide important support for efforts to deliver smarter and fairer policies that will lessen the financial and administrative burdens created by audits.

Join the data-driven [campaign to reform HME audits](#) today!

The American Association for Homecare represents durable medical equipment providers, manufacturers, and others in the homecare community that serve the medical needs of millions of Americans who require oxygen systems, wheelchairs, medical supplies, inhalation drug therapy, and other medical equipment and services in their homes. Members operate more than 3,000 homecare locations in all 50 states. Visit www.aahomecare.org.

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