**Statement of the American Ambulance Association**

**Supporting Continuation of Prior Authorization for Certain Ambulance Transports**

In May, the Government Accountability Office (GAO) issued a report entitled “Claim Review Programs Could Be Improved with Additional Prepayment Reviews and Better Data.” While the American Ambulance Association (AAA) supports efforts to protect the integirty of the Medicare ambulance benefit, we agree with the Centers for Medicare & Medicaid Services that prior authorization, and not more prepayment review, is a better approach to addressing fraudulent behavior.

As the primary association representing ambulance suppliers and providers in the United States, the AAA condemns Medicare fraud in any form. The AAA is committed to eliminating any improper billing in the Medicare ambulance benefit and continues to provide education, training, and compliance programs to its members to ensure proper compliance with all Medicare laws and regulations.

The AAA remains a strong proponent of prior authorization for non-emergency basic life support ambulance transports to/from dialysis facilities. Prior authorization is better for providers and suppliers because they know before they provide the services whether the medical necessity requirements are met. It also creates a strong disincentive for fraudulent providers and suppliers to engage in the process. We recommended this tailored approach to the Congress and have worked with CMS during the prior authorization pilot. We have also worked closely with our members throughout the country to help them understand and comply with the medical necessity requirements.

The AAA supports prior authorization programs because they provide a more targeted approach to limiting fraud and abuse than prepayment review or other potential policy options. As CMS has noted “[p]rior authorization allows providers and suppliers to address issues with claims prior to rending services and to avoid an appeal process.” By providing medical justification upfront, proir authorization provides relief to the long delays appealing denials for such reasons through Administrative Law Judges (ALJs).

We are also disappointed that the GAO in this report did not take the opportunity to address problems that ambulance providers and suppliers are experiencing with regard to contractors not carefully reviewing the record and misapplying the law for prepayment and post-payment claim reviews. For the AAA members, the ALJ level is often the only level at which the facts are reviewed completely, the law applied accurately, and the engagement is meaningful. The AAA provided specific recommendations to the GAO to improve the current audit process, but the recently released report does not address any of these recommendations.

Specifically, the AAA recommends:

* Requiring the Office of Medicare Hearings and Appeals (OMHA) to track the mistakes made at the lower audit review levels on a regular basis and educate contractors as to how to correct these mistakes.
* Making redacted ALJ decisions publicly available to allow all interested parties to learn how to improve the appeals process at the lower levels.
* Incentivizing contractors to reach the correct decision as early in the process as possible by, among other things, (1) publishing denial rates for providers and suppliers using the final outcome of the appeal process, rather than the initial denial rate; and (2) publishing each contractor’s overturn rate and requiring the contractor to take corrective action if the overturn rate exceeds a specific threshold.
* Creating an ombudsman within the MACs and QICs to give providers and suppliers an opportunity to obtain a fair hearing before having to take a claim through the entire appeals process, as well as to identify patterns of problems and educate contractors, as well as providers/suppliers, to address them.
* Placing providers and suppliers on prepayment review based the number of denials that result after the appeals process has been exhausted, rather than on the initial errors rates.

The AAA encourages the GAO to review these recommendations and work with stakeholders and CMS to find ways to address these problems and improve the audit process.

The AAA remains committed to a strong Medicare system. The Association will continue to work with its members, the federal government, and other stakeholders to preserve access to critically important and medically necessary ambulance services. We look forward to continuing to work with GAO, CMS, and the Congress to ensure the integrity of the Medicare program.