

CMS Blocks MA Payments For 11 DME Providers, Alleging Fraud

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CMS is blocking 11 durable medical equipment suppliers from receiving Medicare Advantage payments, citing allegations that the providers never submitted claims before 2025, billed equipment to deceased beneficiaries and sought reimbursement for supplying equipment to those who never requested or received it.

The announcement comes nearly two weeks after CMS allowed the six-month Medicare enrollment moratorium for certain DME providers to expire, which DME advocates applauded.

CMS argues its actions against the 11 providers "demonstrate how CMS is using multiple enforcement tools at its disposal -- including data analytics, payment safeguards, enrollment authorities, and the Preclusion List -- to identify suspicious activity, stop questionable payments before they leave the agency, and prevent bad actors from continuing to profit from Medicare."

The providers received over \$3.4 billion in suspected fraudulent MA payments, according to a CMS release Tuesday (Sept. 8). CMS had already revoked four of the suppliers from traditional Medicare, the agency said, and the suppliers began billing Medicare Advantage plans instead.

CMS says it suspended many of the payments before they reached the providers, including in the cases of a Florida-based provider that submitted roughly \$18.4 million in catheter claims over two consecutive days and a Texas-based company that submitted approximately \$5.5 million in orthotics claims.

The latest fraud action comes after the Trump administration announced its new prosecutor-led National Fraud Detection Center, which will draw data and resources from 18 government agencies including HHS and seven GOP-led states.

"Brazen scams like these have plagued Medicare for decades, but under President Trump's leadership and working with the White House Anti-Fraud Task Force, CMS is protecting the Medicare Trust Funds and its beneficiaries by using advanced data analytics to identify fraud networks and stop suspicious payments before the check clears," CMS Administrator Mehmet Oz said in the release Tuesday.

CMS says it is working with HHS and the Office of Inspector General to ensure the 11 providers do not receive payments for items, services or drugs furnished, ordered or prescribed to Medicare beneficiaries and paid for by MA and Part D sponsors. -- *Sigi Ris* (sris@iwppnews.com)