

Last night 60 Minutes' lead story was another about DME fraud in Miami-Dade County. During the segment, correspondent Steve Kroft interviewed a convicted felon, "Tony", now serving 12 years for defrauding Medicare of \$20 million. Below is a transcript from CBS from the last minute of the segment:

The Obama administration is providing Medicare with an additional \$200 million to fight fraud as part of its stimulus package, and billions of dollars to computerize medical records and upgrade networks, which should help Medicare catch more phony charges. But Tony, who has just begun serving his 12 year prison sentence, says there's no shortage of people in Miami waiting to take his place.

Asked how many people in Miami were doing this, Tony said, "I'd say at least 2,000 people. At least 2,000, 3,000 companies."

He estimated that less than five percent of these companies were legitimate.

"If went to the phone book and looked under medical equipment suppliers, 95 percent of the companies would be phony?" Kroft asked.

"Yes, sir," Tony replied.

### **Irresponsible Reporting**

**In response to the segment, the Accredited Medical Equipment Providers of America has sent the following rebuttal:**

Dear Mr. Kroft,

This letter will serve to ask 60 Minutes to offer a follow-up correction to the October 25th segment entitled: "Medicare Fraud: A \$60 Billion Crime".

While your expert, "Tony", has been serving time in prison, he may have been unaware that on October 2nd, Medicare implemented a mandatory accreditation and minimum \$50,000 surety bond requirement for companies to continue in Medicare's DMEPOS program. Our association has included evidence that these measures have reduced nearly 50% of the providers in Miami-Dade County since last year. According to [www.medicare.gov](http://www.medicare.gov), in April 2008, there were 401 oxygen providers in Miami-Dade County, today there are only 205.

"Tony" also stated that there were 2,000 to 3,000 companies currently defrauding Medicare in Miami. According to Medicare's website, in Miami-Dade County, there are currently only 184 approved Medicare suppliers of Motorized Wheelchairs and 24 suppliers of Limb Prostheses. Only those companies, which have a Home Medical Equipment license in the state of Florida, and as of October 2nd are bonded and accredited can now bill Medicare for any DMEPOS item.

Accreditation is an ongoing evaluation, in which unannounced surveyors typically spend a day or two inspecting companies. The surveys are done by the same accrediting agencies, like the Joint Commission, which accredit all Medicare certified hospitals. Their site visits include auditing charts for medical necessity, accuracy as well as timely patient maintenance visits, verifying employee credentials, accompanying licensed respiratory therapists on service calls, testing oxygen systems for purity, patient training, infection control protocols and much, much

Written by Rob Brant

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more.

The \$50,000 surety bond increases an additional \$50,000 for any blemish on the suppliers file in the past 10 years. If Medicare performed an inspection and the office door was locked at that time, then the provider has to have a \$100,000 surety bond. The surety bond must never expire. If the bond lapses for a single day, or their accreditation is not approved, the supplier will lose their billing privileges for a year.

When your news program has a convicted felon, make false statements to a national television audience, it is very damaging to the legitimate businesses that employ thousand of licensed professionals in Miami-Dade County and beyond. At only \$16 billion of the Medicare budget, accredited Home Medical Equipment companies provide the most cost effective healthcare in America. Our deliveries allow patients to be discharged timely from hospitals and physician care. The ongoing service we provide also saves Medicare untold billions by keeping patients in their homes and preventing unnecessary hospital visits.

When undesirables like "Tony" defraud Medicare, honest Home Medical Equipment providers also pay the price. If a patient has a real need for medical equipment, and Medicare previously paid a false claim, the legitimate company will never be paid and most likely will not get the patient to return the used equipment.

I would appreciate in your next broadcast, if you could present some of this information as a follow-up to this story.

Respectfully Submitted,

**Robert Brant**

President

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