



SEP 23 2008

The Honorable Charles E. Grassley
Ranking Member, Committee on Finance
United States Senate
Washington, DC 20510

Dear Senator Grassley:

Thank you for your letter dated August 25, 2008, in which you requested that the Office of Inspector General (1) examine the methodology being used to determine the Centers for Medicare & Medicaid Services (CMS) 2007 durable medical equipment (DME) error rate and (2) investigate who at CMS directed AdvanceMed to deviate from established policies and use clinical inference during the 2006 error rate process.

We discussed with your staff proposed changes to the first part of your request regarding the 2007 Comprehensive Error Rate Testing (CERT) DME methodology. Specifically, we recently learned that over the next several months, CMS and one of its contractors will evaluate a subsample of claims from CMS's 2008 CERT program, including 300 DME claims. The purpose of this review is to determine the reasonableness of the CERT error rate process. We very much support this effort and expect that it will add credibility to the CERT error rate process. We will evaluate the adequacy and reasonableness of CMS's DME subsample and verify corrective actions that CMS has taken to improve the accuracy of the CERT DME error rate process. With respect to the second part of your request, an investigation at CMS is already underway.

We will keep your staff advised of our progress with these various activities.

If you have any questions or would like to discuss this matter further, please do not hesitate to contact me, or your staff may call Claire Barnard, Director of External Affairs, at (202) 205-9523.

Sincerely,

A handwritten signature in black ink that reads "Daniel R. Levinson". The signature is written in a cursive, flowing style.

Daniel R. Levinson
Inspector General



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

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Sincerely,

Daniel R. Levinson
Inspector General

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Table with columns: OFFICE, SURNAME, DATE, OFFICE, SURNAME, DATE, OFFICE, SURNAME, DATE. Contains handwritten entries for various staff members and dates.