

Program Memorandum Carriers

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal B-00-69

Date: NOVEMBER 29, 2000

CHANGE REQUEST 1336

SUBJECT: Blood Glucose Test Strips - Marketing to Medicare Beneficiaries

This Program Memorandum (PM) explains marketing practices that could be in violation of the Medicare anti-kickback statute, 42 United States Code (U.S.C.) 1320a-7b(b). **Share this information with suppliers of blood glucose strips in your next scheduled bulletin. Emphasize compliance with the Medicare anti-kickback statute and the Office of Inspector General's Compliance Program Guidance for the Durable Medical Equipment, Prosthetics, Orthotics and Supply Industry.**

Marketing practices may influence Medicare beneficiaries who utilize medical supplies, such as blood glucose strips, on a repeated basis. Beneficiaries are advised to report any instances of fraudulent or abusive practices, such as misleading advertising and excessive or non-requested deliveries of test strips, to their Durable Medical Equipment Regional Carriers. **Remind suppliers that beneficiaries must specifically request refills of supplies before they are dispensed.**

Advertising incentives that indicate or imply a routine waiver of coinsurance or deductibles could be in violation of 42 U.S.C. 1320a-7b(b). Routine waivers of coinsurance or deductibles are unlawful because they could result in (1) false claims, (2) violation of the anti-kickback statute, and/or (3) excessive utilization of items and services paid for by Medicare.

In addition, 42 U.S.C. 1320a-7a(a) (5) prohibits a person from offering or transferring remuneration. Remuneration is a waiver of coinsurance and deductible amounts with exceptions for certain financial hardship waivers that are not prohibited.

Suppliers should seek legal counsel if they have any questions or concerns regarding waivers of deductibles and/or coinsurance of the propriety of marketing or advertising material.

Any supplier who routinely waives co-payments or deductibles can be criminally prosecuted and excluded from participating in Federal health care programs.

The *effective date* for this PM is December 1, 2000.

The *implementation date* for this PM is March 1, 2001.

These instructions should be implemented within your current operating budget.

This PM may be discarded after December 1, 2001.

The contact person for this PM is Kimberly Pugh, (410) 786-9212.

