

1 **SEC. ____ . PRIOR AUTHORIZATION PROCESS FOR CERTAIN**
2 **HIGH COST DURABLE MEDICAL EQUIPMENT,**
3 **PROSTHETICS, ORTHOTICS, AND SUPPLIES**
4 **UNDER THE MEDICARE PROGRAM.**

5 Section 1834(a)(15) of the Social Security Act (42
6 U.S.C. 1395m(a)(15)) is amended—

7 (1) in the paragraph heading, by striking
8 “ITEMS” and inserting “ITEMS; PRIOR AUTHORIZA-
9 TION PROCESS FOR CERTAIN HIGH COST DURABLE
10 MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS,
11 AND SUPPLIES”; and

12 (2) by adding at the end the following new sub-
13 paragraph:

14 “(D) PRIOR AUTHORIZATION PROCESS FOR
15 CERTAIN HIGH COST DURABLE MEDICAL EQUIP-
16 MENT, PROSTHETICS, ORTHOTICS, AND SUP-
17 PLIES.—

18 “(i) IN GENERAL.—Not later than 1
19 year after the date of the enactment of this
20 subparagraph, the Secretary shall begin
21 the process to develop and implement a
22 prior authorization process for certain du-
23 rable medical equipment, prosthetics,
24 orthotics, and supplies. A claim for an item

1 of durable medical equipment, a prosthetic,
2 an orthotic, or a supply that has received
3 prior approval through the prior authoriza-
4 tion process shall be exempt from subse-
5 quent pre- and post-payment audits and
6 only subject to audits for systematic fraud
7 and abuse.

8 “(ii) CONSIDERATION OF FACTORS.—
9 The Secretary shall consider the following
10 factors in developing and implementing the
11 prior authorization process under this sub-
12 paragraph:

13 “(I) Beneficiary access to timely
14 care.

15 “(II) Alignment with the best
16 practices of commercial managed care
17 plans and Medicare Advantage plans
18 under part C that have expertise in
19 prior authorization processes.

20 “(III) Implementation of stand-
21 ard medical necessity evaluation prior
22 authorization requests for physician
23 and hospital referral agents and non-
24 physician practitioners.

1 “(IV) Accounting for same day
2 delivery expectations by providing for
3 expedited emergency review for cer-
4 tain items, including oxygen.

5 “(iii) IMPLEMENTATION.—The Sec-
6 retary shall promulgate a regulation to
7 carry out the prior authorization process
8 under this subparagraph. The regulation
9 shall—

10 “(I) ensure that stakeholders
11 participate in the development of the
12 process; and

13 “(II) place priority on prior au-
14 thorization of items that are subject
15 to a high number of contractor audits,
16 including oxygen.”.