

ALERT

CMS Stopping HBO Prior Authorization Experiment in MI, IL, NJ

Despite Savings, HBOT Experiment Ended

Thu, 07/26/18

The Centers for Medicare and Medicaid Services (CMS) has announced that it will **not continue** an experiment that saved millions of dollars by reducing nonemergent hyperbaric oxygen therapy (HBOT). Since launching in 2015, this experiment reduced spending per beneficiary per quarter by \$60; federal data shows an overall savings of \$17.6 million in 2 years' time. The experiment was carried out in Illinois, Michigan, and New Jersey, which were chosen because of their high utilization and improper payment rates for HBOT.

However, in a federal report released in June 2018, CMS stated that the cost reductions observed were not statistically significant in total Medicare expenditures or by any particular state. In addition, the experiment was found to increase providers' administrative burden because of prior authorization and documentation requirements.