

Testimony of Sara Beck, San Joaquin Orthotics & Prosthetics
U.S. Small Business Administration Regulatory Fairness Hearing
Washington, D.C.
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First, I would like to thank National Oubummun Brian Castro and the Regulatory Fairness Board for providing me with the opportunity to participate in today's national hearing. My name is Sara Beck and I am the office manager and appeals specialist for a small, independent Orthotic & Prosthetic company in Stockton, California. Prior to 2012, my office was a simple provider of orthotics and prosthetics. We were passionate about our patients care and dedicated to giving our patients a functional life worth living. My staff quickly became one family devoted to providing not only physical restoration but emotional peace to our patients who also became part of our family unit. Then, CMS audits stripped my business of its financial stability and devalued our compassion and dedication to their beneficiaries. Encountering an unprecedented amount of CMS audits, we, along with all small businesses, were faced with overwhelming anxiety, and financial ruin. After surviving one of the worst times in my practice, I was, then, able to reach out to other providers across the country and communicate, in depth, with referring physicians. This is when the hint of a prejudicial audit system began to surface.

O & P is a community that includes a national provider. The remainder of the industry consists of small, independent businesses. I performed two Freedom of Information Act requests to CMS to assure that there was a level playing field between all providers in the profession. When the data came in, I was astounded by its results. It showed that CMS targeted small, independent O & P facilities with high volumes of expensive audits; while leaving a national provider seemingly unscathed by the system. It is unknown, at this time, if there are other large corporations receiving this same treatment.

As a brief example, my small practice in Stockton, CA received approximately 55 CMS audits totaling about \$250,000 within a 2 year period. 47 of those audits were for high dollar prosthetic claims. The national provider also has a facility in the same area. The data shows that office received 13 RAC audits, totally a mere \$6,251.26. No prosthetic claims were audited within a 5 year period. This comparison makes clear that independent providers are being treated differently, whether intentionally or not.

This lack of oversight and internal accountability has allowed the CMS audit system to run out-of-control. This lack of restraint has not only proven to cost taxpayers unnecessary funds, but it has caused hundreds of small O & P facilities to close its doors; leaving business owners in debt and emotional turmoil. Small O & P business now have to attempt to survive the blatant discrimination of CMS audits. Here's what we know now from the data: the CMS audit program has discriminated against and targeted independent orthotic & prosthetic providers because independent providers are receiving CMS audits for all high dollar orthotics & prosthetics at a large volume; the large corporation is not. The affects of this uneven treatment is extensive and transcends many levels of our profession.

This data, if nothing else, proves just how broken the CMS audit system truly is and how it has fatally impacted small business. The audit program is not just merely flawed, but it is critically broken. Although CMS audits are necessary to ensure the preservation of our healthcare system, favoritism and unlawful discrimination is not.

My love for the admirable work performed by independent O & P providers has motivated me to speak out against this devastating problem. Our patients who depend on us to walk, to function, to live, continue to spark a fire inside of me to take a stand against such a blatant disrespect to independent O & P providers. Independent businesses have such a necessary purpose in the lives of our patients; and I refuse to accept Medicare's attempt erase that by granting

favorable treatment to a large provider. I hope that my passion, corroborated by the FOIA data, ignites the drive inside of everyone in this room to take a stand for small, independent providers and save us from drowning in CMS's sea of discrimination and inequality.

Thank you for your time and attention to this matter. And, again, I appreciate the opportunity to share my story.