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On 12/28/2012, Syracuse Prosthetic Center received notification from CMS Medicare that it was being audited for fraudulent provision of care to fourteen patients in fiscal year 2010. The total amount the Medicare Recovery Audit Contractors desired to recoup was \$160,000.00 dollars and included the most expensive prostheses we had provided in 2010. We discovered that the recovery audit contractors were not legally allowed to initially audit this number of claims. We found this out through the efforts of others who had challenged the recovery audit contractors on this issue. The list of fourteen patients was brought down to four (although the recouped money on five) but still included the most expensive prostheses provided in that time period and totaled over \$90,000.00 with penalties and interest. Syracuse Prosthetic Center's total profit for the fiscal year 2010 was \$46,720.00

Syracuse Prosthetic Center provides medical care to approximately 500 amputees. Our history stretches back to 1866 - over 149 years and six generations. My involvement comes from my father, a veteran who at nineteen left his leg behind in Italy in WWII. I have a son and a son in law who are highly regarded nationally certified prosthetists. Syracuse Prosthetic Center is a nationally recognized leader in prosthetics, highly regarded in the Central New York medical community and has achieved the highest level of accreditation and certification possible in the field of Prosthetics.

And Syracuse Prosthetic Center is in serious jeopardy of bankruptcy. We currently have seven employees working long hours and wondering from month to month whether we will have a company and employees to celebrate what should be a very proud 150 year history in the provision of prosthetic care.

As per the Recovery Audit Contractors findings, we were found guilty of the doctors not having sufficient documentation in their files to prove the appropriateness of specific prosthetic components for the five patients they were allowed to audit. Instead of recouping only the amount for the specific components in question, money paid for every entire prosthesis was recouped.

In every audited case where we were "convicted" of fraudulent billing the physician had written a prescription for the prosthesis provided. In every case the physician also provided a written attestation that what Syracuse Prosthetic Center provided is exactly what was necessary for the patient. And independent functional level examination by a third party physical therapist has confirmed the need for exactly what was provided. Indeed, there is an abundance of proof in every case that the service provided was and is medically necessary and needed.

In one case, the patient Medicare Recovery Audit Contractors were recouping the money for was being congratulated personally by the president and being honored at a congressional dinner for representing the United States in Sochi while Medicare was recouping the money paid us for providing prosthetic care to this world class athlete. Recovery Audit Contractors maintained we did not prove the ambulatory potential to use the prosthesis provided. Despite doctors attestations otherwise, despite independent third party verification otherwise, despite abundant video evidence otherwise and despite the fact that they were recouping the money at the same time he was being honored for participating in the Paralympics at a functional level far higher than what they demand proof of.

In every case the Recovery Audit Contractors were paid a bounty "commission" for recouping the money. In every case we are awaiting a date for a hearing in front of an administrative law judge. We are told that we can expect to have a hearing in front of an administrative law judge in about two and a half to four years after they add us to the list. We are still waiting. And a new round of Recovery Audit Contractor audits is set to begin.

It gets worse. On top of the RAC audits Medicare imposes CERT and prepayment audits. We have passed every CERT and Prepayment audit we have been subjected to by NHIC Region A Medicare since 2013. They receive no commission for taking money back from us. But they do delay cash flow by up to an additional three months!

If the Recovery Audit Contractors were allowed to audit all of the claims they initially tried to, Syracuse Prosthetic would be bankrupt today. Without ever having been able to come before an administrative law judge where common sense and morality is allowable.

In summary:

- Recovery Audit Contractors initially attempted to audit 14 prosthetic patients.
- Recovery Audit Contractors were legally allowed to audit 4 prosthetic patients.
- There audit included the most expensive prostheses we provided with the highest potential for a "commission".
- Medicare's recoupment included a fifth "rescinded" patient.
- Over \$90,000.00 has been recouped.
- We are awaiting word for when our case will be reviewed by an administrative law judge.
- Ongoing audits have further decreased our cash flow.
- We have hired an additional administrative person to handle increased paperwork.
- In many cases there is no possible way to know whether a claim is subject to recoupment in Medicare's eyes.
- We have had to incur additional legal and accounting fees to face this enormous challenge.
- The emotional toll on Syracuse Prosthetic Center employees is also enormous.