

[L0486, L3916, L1582]	[LT, RT]	[12]	\$6,380.00	\$510.42	\$510.42	2025-05-25
[L0174]	[LT, RT]	[12]	\$332.40	\$216.51	\$220.93	2023-11-20
[L8616, L8615, L8624, L8619]	[LT, RT]	[12]	\$22,036.00	\$18,294.23	\$20,370.16	2024-03-13
[L0650]		[12]	\$1,778.13	\$717.94	\$915.74	2023-12-30
[E0163, L1686, E0143]	[RT, KX]	[12]	\$1,264.68	\$1,199.34	\$1,223.81	2023-11-10

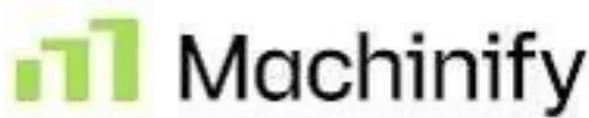
#### Supporting Documentation:

#### **North Carolina BCBS Medicare Policy: Key aspects of BCBS NC Medicare DME policy**

- **Prescription is required:** A prescription from a licensed provider is necessary for all DME before it can be considered for coverage.
- **Prior authorization:** Some items, like certain power wheelchairs, may require a prior authorization from BCBS NC before being covered. Also, prior authorization is required for DME purchases greater than \$1,200.
- **Medical necessity:** All DME must be deemed medically necessary and appropriate for use in the home.
- **Facility claims:** Hospital facilities will not be reimbursed for take-home DME or supplies, as these should be billed by a separate DME vendor.

#### Provider Observations:

- **Djo LLC:** Subject of multiple past and current cases involving false claims and kickbacks, cases resulting in settlements of \$7.6 million and \$1.2 million. Also, a current class action lawsuit in Florida for defrauding patients by inflating bills and hiding kickback arrangements. Provider is located Carlsbad, CA and provides DME, that for the most part, is readily available from companies in NC.
- **ND Medical Solutions LLC:** Almost 80% of all billings contain DME for Upper middle back, the knee and arm. It would be unusual for most of their patients to have injuries to all three areas at the same time. All the claims paid for by BCBS of North Carolina were for DOS within a 40-day period in 2025. Review of the internet failed to identify an official website for ND Medical.
- **Joint Technology, Inc:** Provider is in Oklahoma and most of the DME they provide is widely available from providers in NC. All claims are under the purchase dollar limit



which would require pre-authorization. The provider has been involved in several fraud actions and lawsuits, mostly for alleged violations of the federal Anti-Kickback statute and the False Claims Act. A couple of the allegations include paying providers fake rental payments and providing free in-office assistants in exchange for referrals.

- **Certified Pedorthic Orthotics (CPO):** All DME purchases were under the dollar limit requiring pre-authorization which increases the susceptibility of FWA. All DME provided appear to be readily available through vendors in NC. Although no FWA cases were identified against this provider, CPO only has a 1.0 rating on yelp, and a few complaints were found on the internet concerning the provider's insurance billing.
- **Southeastern Medequip:** All 148 patients were provided with braces for the back, knee and wrist. It is extremely unlikely that every patient receiving DME for this provider have injuries to these three parts of the body. All patients with paid claims for by BCBS of NC, have a DOS within the same three-week period of 2025, a huge red flag for FWA.
- **Advanced Bionics:** Review of the internet uncovered FWA allegations and settlements involving this provider. One FWA allegation resulted in a \$12 million dollar settlement for violations of the False Claims Act in 2022.

**Investigation tips:**

- Verify documentation supports procedures, to include valid Doctor prescription.
- Verify preauthorization's and related documents legitimately support medical necessity.
- Pay attention to ordering provider relationships to DME companies (kickbacks)
- Conduct random and targeted patient interviews to determine whether DME was received and needed.

**Applied Exclusions:** N/A