REPORT HIGHLIGHTS

April 2026 | A-05-21-00036

Medicare Payments for Positive Airway Pressure Devices Used for the Treatment of Obstructive Sleep Apnea Generally Complied With Medicare Requirements

Why OIG Did This Audit

- The Medicare program covers positive airway pressure (PAP) device treatment as the first-line treatment for obstructive sleep apnea (OSA).
- For fiscal year 2017, the Comprehensive Error Rate Testing Program determined continuous PAP (CPAP) devices had the second highest improper payment amount in the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) category, with estimated improper payments totaling $495 million for CPAP devices used for the treatment of OSA.
- Most of the errors occurred because DMEPOS suppliers did not provide sufficient documentation to support claims submitted for PAP devices.
- Due to the improper payment amounts and high documentation error rate, we conducted this audit to determine whether claims for PAP devices met Medicare requirements.

What OIG Found

CMS generally ensured that payments made to suppliers for PAP devices complied with Medicare billing requirements. Medicare payments to suppliers complied with Medicare billing requirements for 97 sampled PAP device claims. However, for the remaining 13 sampled PAP device claims, Medicare payments to suppliers did not comply with Medicare billing requirements. Specifically, Medicare made payments for PAP device claims that did not have the required documentation to support the services billed. In addition, some suppliers did not respond to OIG's request for documentation to support the PAP device claims that were billed to Medicare. As a result:

- Medicare paid for PAP device claims that did not have all the necessary documentation
- We estimated that Medicare paid approximately $15.2 million for improper PAP device claims during our audit period that did not meet Medicare billing requirements

What OIG Recommends

We recommended that CMS (1) establish and implement internal controls to prevent improper payments for replacement PAP devices and (2) provide outreach and education to suppliers on document requirements.

CMS did not indicate concurrence or nonconcurrence with the first recommendation. CMS concurred with the second recommendation and described steps it has taken and plans to take to strengthen supplier education.