

August 30, 2011

Jerome Barrett Executive Director American Academy of Sleep Medicine 2510 North Frontage Road Darien, IL 60561-1511

RE: Comparative billing reports for providers billing sleep services

Dear Mr. Barrett:

Thank you for your interest in the Comparative Billing Report (CBR) study that was released in May of this year to providers rendering sleep study services. We appreciated your input and dialogue during our telephone conversation on July 28, 2011.

During the meeting, Judy Coy, Director of Coding and Compliance, Health Policy, Accreditation and Education, American Academy of Sleep Medicine, raised a concern that it appeared that the purpose of the CBR was to look for fraud. David Shippen clarified that CBR Services is under the Provider Education and Compliance division. We are not a fraud group nor are we sponsored by one. Our purpose is provider education.

We discussed that in CBR006, there were a total of 11,715 providers in study. Out of these providers, 4,262 (almost 45%) of the providers billed 10 or less services. Additionally, 90% of providers billed 192 or less services.

We also discussed peer groupings. The challenge we perpetually face is defining useful peer groups while still maintaining statistically valid comparisons. In fact, due to several states having less than thirty providers, we had to broaden our comparative peer groupings to Metropolitan Statistical Area (MSA) to establish statistical significance.

In your letter, you mentioned that in January 2011, the AASM was notified by CMS that a specialty designation was approved for physicians who are board certified in sleep medicine. Judy informed us that this specialty designation will go into effect no earlier than 10/1/11. The new specialty designation may be taken into consideration for study design and methodology development.

My team and I appreciate your willingness to assist CBR Services on any future sleep services related studies. Feel free to share the information in this letter with your association members. If you have any further questions or concerns, please do not hesitate to contact me.

Thank you,

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