

The Case for Medicare Investment in DME – 2014 Update

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In 2011, we conducted a study that showed that when Medicare pays for DME, it saves substantially more money in healthcare costs than it pays for the equipment. DME dramatically reduces the impact of injuries and other serious medical conditions that would result if the DME was not provided. That study has now been updated and shows that the gap between potential savings and equipment cost is growing. CMS has been chasing pennies attempting to cut DME spending while simultaneously throwing away dollars in Part A payments. It is time for CMS to change direction, wisely invest in DME and drive Part A payments down dramatically.

The study looked at three major categories of DME:

Mobility DME - Falls are now the leading cause of unintentional injury and death in the United States among adults aged 65 years and over. When Medicare pays for the mobility DME to Medicare beneficiaries, falls are reduced and significant net spending savings are realized.

Supplemental Oxygen Therapy - COPD is the 2nd leading cause of disability and the 3rd leading cause of death in the United States. Supplemental oxygen therapy treats individuals who have difficulty breathing as a result of COPD. When Medicare pays for supplemental oxygen therapy, the cost of treating medical complications created by COPD drops dramatically and significant net spending savings are realized.

CPAP Therapy - Obstructive Sleep Apnea (OSA) occurs in 70% of men over 65 and 56% of women over 65. OSA is also a significant contributing factor in a myriad of other serious medical conditions. Continuous positive airway pressure (CPAP) therapy is used to treat individuals who have breathing interruptions and sleep disruptions as a result of OSA. CPAP therapy has been shown to significantly decrease the medical costs related to treatment of coronary artery disease, congestive heart failure, atrial fibrillation and stroke. When Medicare pays for CPAP therapy, the cost of treating medical complications created by OSA drops dramatically and significant net spending savings are realized.

For every dollar Medicare pays for:	Medicare saves:	Beneficiaries and insurers save an additional:	The overall U.S. Healthcare system saves:
Mobility Equipment	\$16.78 - for treating avoided falls	\$2.40	\$19.18
Supplemental Oxygen Therapy	\$9.62 - for treatment of COPD-caused medical complications	\$5.25	\$14.87
CPAP Therapy	\$6.73 - for treatment of OSA related complications	\$1.35	\$8.07



The Case for Medicare Investment in Durable Medical Equipment

When CMS Invests...

The Government Saves...

The Beneficiary and Private Insurers Save...

\$1

on mobility DME...



\$16.78*



\$2.40*



*Over a 5-year equipment life period.

\$1

on supplementary oxygen therapy...



\$9.62



\$5.25



\$1

on CPAP therapy..



\$6.73



\$1.35

