U.S. REHAB

2015 – CRT Accessory Reimbursement Cut Concerns

The Application of Competitive Bid Pricing to CRT Accessories
Effective January 1, 2016

CMS announced in December 2014 that they will apply Competitive Bid pricing to complex rehab wheelchair accessories effective January 1, 2016.

Our issues with this decision:

- Will reduce the reimbursement rate of complex rehab accessories to standard DME wheelchair accessories.
- Violates the intent of past Congressional legislation (MIPPA of 2008), which required CMS to exempt complex rehab power wheelchairs and accessories from CB pricing.

Medicare Needs Cost-Effective Solutions

- Overall Medicare spending increased over 160% from 2000-2013.
- On the contrary, DME spending has only grown 2.7% in the past 5 years and actually declined 4.8% between 2012 and 2013.
- DME as a percent of Medicare spending has declined for 10 years from 2.1% in 2003 to 1.3% ($7.7 billion) of the Medicare budget in 2013.

Explanation of CRT:

- Used by a small population of people with high level disabilities
    - ALS, cerebral palsy, multiple sclerosis, muscular dystrophy, spinal cord injury, and traumatic brain injury
- Individuals represent less than 10% of Medicare beneficiaries who use wheelchairs, but are very vulnerable group of people with significant disabilities
- Specialized equipment provided requires evaluation, configuration, fitting, adjustment, or programming
- Individually configured equipment to meet medical needs and maximize function and independence

Impacts:

- 171 wheelchair accessory codes
    - Examples: seat and back cushions, power recline and tilt systems, and specialty drive controls
- Provider Impact: Provider cost will be more than the Medicare reimbursement
    - Providers must choose to take a significant reimbursement reduction in CB items by 30-50%, stop providing the affected products, or charge patients for the difference
- Patient Impact: If implemented, complex rehab accessories will be more difficult, if not impossible to find
- Manufacturer Impact: Research and development for member manufacturers in CRT technology will be reduced, if not completely abandoned

Legislative Action

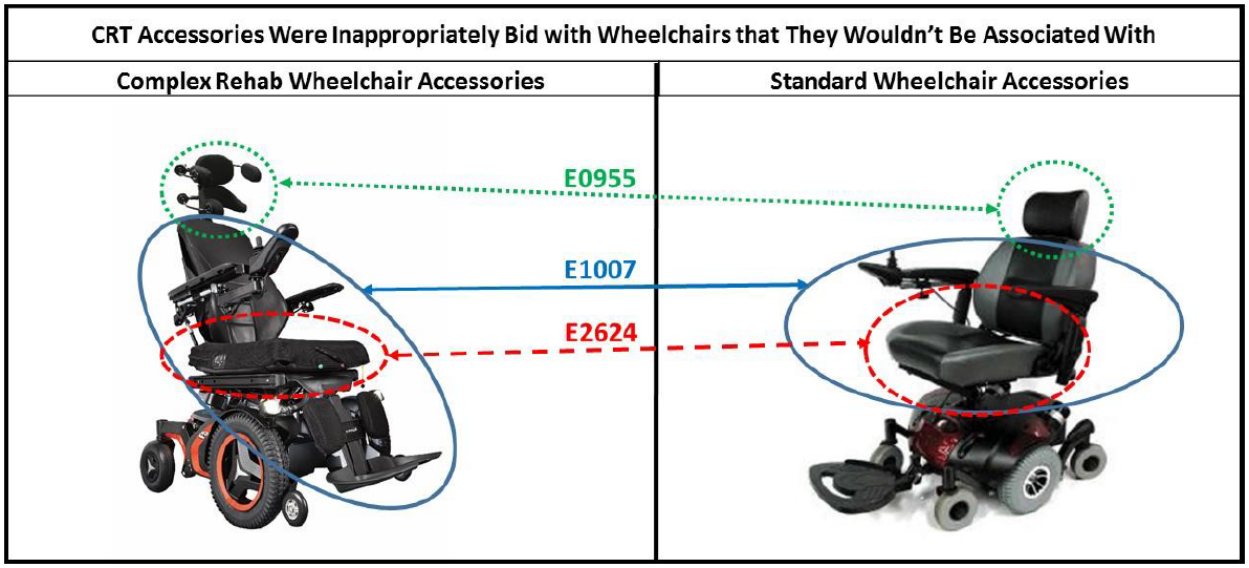
H.R. 3229 and S. 2196

Legislation has been introduced in the House of Representatives (H.R. 3229) and the Senate (S. 2196)

- Provides a legislative technical correction to clarify that CMS cannot apply Medicare competitive bid pricing to accessories used with Complex Rehab wheelchairs.

Legislation must be passed and enacted by December 31, 2015. We are urging our members, manufacturers, end users and CRT stakeholders to contact their legislators and ask them to sign on as co-sponsors to H.R. 3229 and S. 2196 and work to ensure their passage.

Example of situations where CRT accessory and seating codes were bid with more standard wheelchairs, which does not, and often, simply cannot actually occur.



An individual needing a CRT head support system (E0955) would not use a more standard chair. A power tilt and recline system (E1007) cannot be attached to a more standard chair. An adjustable skin protection and position cushion (E2624) cannot be provided, per Medicare policy, for use with a chair that has an overstuffed seat (captain's chair).

Standard DME Accessories vs. CRT Accessories

E0955 WHEELCHAIR ACCESSORY, HEADREST, CUSHIONED, ANY TYPE, INCLUDING FIXED MOUNTING HARDWARE, EACH

Basic Headrest

Complex Head Support Systems

E0960 WHEELCHAIR ACCESSORY, SHOULDER HARNESS/STRAPS OR CHEST STRAP, INCLUDING ANY TYPE MOUNTING HARDWARE

Basic Chest Strap

Complex Anterior Trunk Support Systems

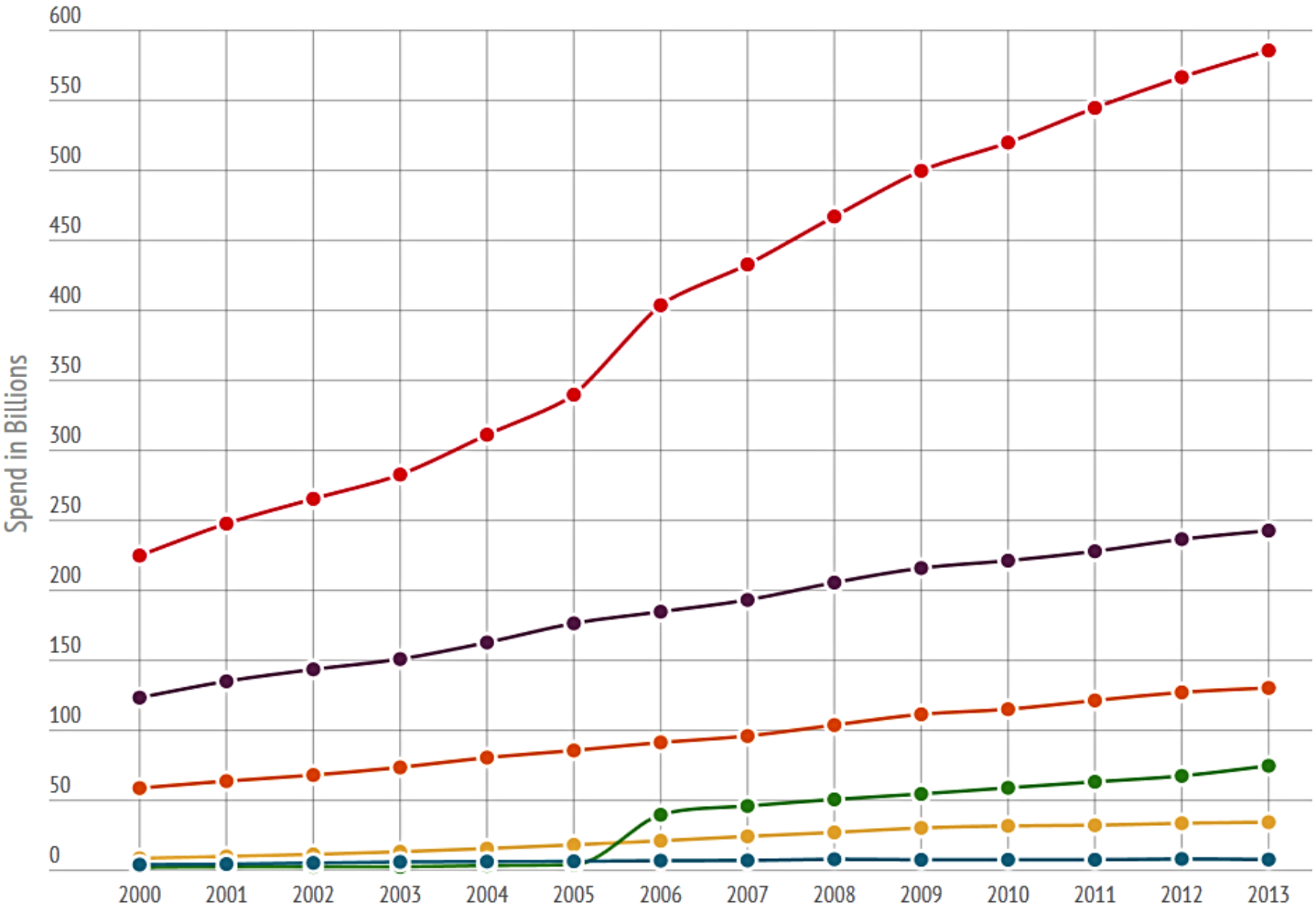
E0978 WHEELCHAIR ACCESSORY, POSITIONING BELT/SAFETY BELT/PELVIC STRAP, EACH

Basic Belt/Strap

Complex Pelvic Support Systems

American Association for Homecare
Caring that Feels Right at Home

Durable Medical Equipment (DME)
Represents Approximately 1.3% of Medicare Spending



Medicare Expenditures (2000-2013)

- Total Medicare Expenditures
- Total Hospital Expenditures
- Total Physician and Clinical Expenditures
- Total Home Health Care Expenditures
- Total Prescription Drug Expenditures
- Total Durable Medical Equipment Expenditures

Source: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group