A presentation made by Dr. Rory Cooper at the International Seating Symposium, February 21, 2001, Orlando, FL.
The Health Care Finance Administration (HCFA) is an important funder of assistive technology (AT) devices which are often categorized as Durable Medical Equipment (DME). HCFA is the Federal agency that pays the costs of Medicare, Medicaid and Children’s Health Insurance. Because it is so influential in paying the cost of healthcare for these Americans, many other forms of health insurance follow HCFA’s lead in Reimbursement decisions.
Medicare Statistics

- Over 39,000,000 people are covered by Medicare.
- HCFA spends $700,000 per minute 24/7/365.
- HCFA has over 4,000 employees in 10 regions.
Medicare Coverage

- **Part A** – Covers hospital insurance and is provided to all people over 65 years.
- **Part B** – Covers clinician services (labs tests, drugs, durable medical equipment).
- **Part C** – Supplemental insurance (Medicare plus Choice).
  - Nearly everyone eligible opts for Part C.

All who are eligible for Medicare (i.e., seniors over age 65 and persons with permanent disability) are eligible for Parts A and B. Part C is optional but most all choose to pay for it in Order to avoid paying 20% copayments out of their pockets.
Durable Medical Equipment

♦ Durable Medical Equipment Regional Carriers (DMERC’s)
  – Make funding decisions on a local or regional basis.
  – Services must fall within one of 55 statutory defined “benefit category”.

♦ HCFA restricts coverage of Durable Medical Equipment (DME) as “reasonable and necessary” to treat illness or injury.
DMERC’s Guidance

♦ HCFA develops national coverage policy.
♦ Medicare contractors develop Local Medical Review Policies (LMRP’s).
♦ 90% of coverage decisions are made at the local level, but must be based on medical effectiveness.
♦ There are four DMERC’s in the US.

Learn more at http://www.hcfa.gov/
DME Product Eligibility

♦ Authoritative medical evidence
  – Peer-review (i.e., publication in medical science journal that is data-based)
♦ Demonstrated medical effectiveness
  – Clinical trial (e.g., double-blinded)
♦ Eligibility versus Payment
  – Billing instructions
  – Coding guidelines
  – Claims processing instructions
  – Dissemination to regions and contractors
DME Definition

- Can withstand repeated use.
- Primarily used to serve a medical purpose.
- Not useful to person in absence of illness or injury.
- Appropriate for use in home.
- HCFA has interpreted these factors to mean that the DME must be necessary and reasonable for the treatment of illness or injury and/or to improving function.
Competitive Bidding

♦ HCFA is trying demonstration projects in various regions in attempts to reduce costs.
♦ HCFA has attempted to include "Wheelchairs and Accessories" in the competitive bidding process, but has yielded to public opinion.
  - Could affect K0004 through K0009 codes.
  - Possibly lump E0192 "pressure relieving cushions" into a single category.
  - Possibly a large step backwards.
  - Contrasts concept of certified professionals in AT.

Notes:
K0004 through K0009 codes are the codes used to designate levels of features possessed by a wheelchair. K0004 is the most basic whereas K0009 is an ultralight wheelchair with high performance characteristics.

This is considered possibly a large step backwards because it eliminates choices that allow seating and mobility specialists -- especially those who are ATP certified -- to choose among a variety of products that have the ability to meet a wide range of needs.
What has been the impact of HCFA policy?

♦ Reduced access to appropriate wheelchairs and seating systems.
♦ Likely increased costs due to treatment of secondary conditions.
♦ Lack of cohesive practice of Assistive Technology (AT) service delivery.
♦ Discrimination against wheelchair and seating users (e.g., comparison of treatment for people with amputations).
HCFA’s driving forces.

- Most Medicare covered wheelchairs are used by people older than 65 years.
- Most Medicare wheelchairs are used for less than 9 months.
- Most prescriptions for wheelchairs and cushions contain little detail.
- There is a lack of clinical trials and published peer-reviewed evidence of efficacy of wheelchairs and seating.
- There is a substantial amount of “fraud and abuse” in the DME field.
- HCFA is “treatment focused”.

These are the factors that are influencing the implementation of HCFA policy in regards to wheeled mobility devices.
Possible Influences on Future

- Work Incentive Act
  - Promote return to work.
- Changes in coding from AMA (HCPC).
- “Freedom Initiative”
  - OMB Center for Health Statistics
- Certification of AT and RE providers (RESNA).
- Consumer activism.
- Medicare Advisory Committee
- VA Policies on Wheelchairs and Seating
  - Prosthetics Database

However, some of these factors may lead to some changes. As regulatory policy (such as the current policy that power Wheelchairs cannot be paid for if they are needed only for mobility outside the home) is seen to discriminate against the full inclusion and integration of people with disabilities into Employment and Community life then HCFA may need to change its policy.
What can we do?

♦ Develop clinical practice guidelines.
♦ Increase Assistive Technology education in academic programs (PT, OT, PM&R). Take advantage of change to entry level graduate degrees.
♦ Participate in research and support clinical trials. Agree upon a “gold standard”.
♦ Encourage peer-reviewed publication of AT studies. Get in the best journals.
♦ Nominate prominent scientists/clinicians to government committees and panels.
♦ Attempt to have all clinicians and rehabilitation technology suppliers certified.

There is still room for social and political activism on this Project.
It takes time!

- We have been working to change manual wheelchair reimbursement practices for years.
And More Time

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