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Homecare Providers and Consumer Advocates Urge Congress to Stop Ineffective Medicare Payment Review Process for Mobility Equipment

WASHINGTON, December 8, 2011 -----The American Association for Homecare, along with home medical equipment providers and consumer advocates, are calling on Congress to stop implementation of a controversial Medicare “prepayment” demonstration project that would jeopardize access to [power wheelchairs](#) for beneficiaries with disabilities and cause significant job losses in several states.

Under the project, the Centers for Medicare and Medicaid Services (CMS) would require “prepayment review” for all Medicare power wheelchair claims in seven states – California, Florida, Illinois, Michigan, New York, North Carolina, and Texas – beginning January 2, 2012. This will affect nearly half of all Medicare beneficiaries who require power mobility. Stakeholders representing clinicians, people living with disabilities, and providers of power wheelchairs were all stunned by the November 15th announcement of the program.

Home medical equipment providers are still reeling from the 13-month rental reimbursement policy for mobility equipment, a change implemented last January. Already, that policy has caused many providers to go out of business or no longer offer power wheelchairs. In addition, Medicare beneficiaries, especially those in rural areas, can have difficulty obtaining mobility equipment.

“We are calling on Congress to stop this demonstration project before it prevents older Americans and people living with disabilities from receiving medically required mobility equipment and causes irreparable harm to providers of home medical equipment and services,” said Tyler J. Wilson, President and CEO of the [American Association for Homecare](#). “Members of Congress should be worried about the impact of this program on many of the most vulnerable people in our society.”

Wilson called it “inconceivable” that CMS would spring this change on the power mobility users and providers knowing that medical equipment providers are struggling to adjust to the rental policy. “CMS moved unilaterally with no notice to Congress, Medicare beneficiaries, or the power mobility community,” he said. “Their actions will ration medically necessary items and services to Medicare beneficiaries and will actually increase health care costs. Studies show that beneficiaries with limited mobility who don’t receive power wheelchairs require more medical treatment, additional skilled services and may even have to be admitted to expensive care facilities and nursing homes.”

The [United Spinal Association](#) said the demonstration project will further endanger people living with disabilities who need mobility assistance. “The process for receiving a power wheelchair has already become burdensome for Medicare beneficiaries and their physicians,” said Paul Tobin, president and CEO of United Spinal Association. “There are parts of the country where Medicare patients have to do business with reluctant providers who are hundreds of miles away. This demonstration project will make it harder for them to receive the wheelchair they need for everyday mobility. We will be urging our members to contact their congressmen and put a stop to this project.”

For providers, the prepayment review is yet another financial burden, one that will make it impossible for many of them to continue serving Medicare beneficiaries.

“Providers simply cannot operate under this system,” said Georgie Blackburn, vice president of government relations and legislative affairs for [BLACKBURN’S](#), a home medical equipment and service firm in Tarentum, Pa. “We are already straining to deal with rental reimbursements that take 13 months. How can the government possibly expect our businesses to wait an additional three months for payments to cover the cost of obtaining the equipment? It is an unreasonable request. We don’t have access to funding that will keep our businesses operating while we wait for government reimbursements. Congress must step in and stop this.”

Providers and manufacturers predicted there would be major job losses in states where providers go out of business and where manufacturers adjust to the reduced demand in nearly fifty percent of the market.

The rationale CMS uses to justify the [prepayment program](#) is reducing fraud, claims errors, and improper payments. But the new prepayment review program will not address those problems. The power mobility community has made numerous recommendations to CMS for preventing errors and fraud in this area – but they have been ignored. The root causes of the error rate in the power mobility sector are complicated rules and the subjectivity of the Medicare claims reviewers. Moreover, Medicare’s process for auditing claims is expensive, inefficient, and distorts the error rate for power wheelchairs and other home medical equipment claims.

Tyler Wilson urged that CMS work with the power mobility community to derive a system that will curtail fraud, while allowing providers to keep their doors open. He noted support for pending legislation, HR 3399, *The Fighting Fraud and Abuse to Save Taxpayer Dollars Act (FAST Act)*, which would establish an electronic prior authorization program along with a clinical medical necessity template.

“We understand the need to [prevent fraud](#) and abuse,” Wilson said. “But it can’t be done through capricious actions that hurt Medicare beneficiaries and providers.”

The [American Association for Homecare](#) represents providers of durable medical equipment and services who meet the healthcare needs of millions of Americans who require oxygen equipment and therapy, wheelchairs and mobility assistive technologies, medical supplies, inhalation drug therapy, and other medical equipment and services in their homes. Members provide homecare in all 50 states.