

MOBILITY MATTERS

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Ensuring Power Mobility is Available for People Living with Disabilities

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FAULTY OIG PRICING ANALYSIS IS MISLEADING CONGRESS

WASHINGTON— Does the U.S. Department of Health and Human Services (HHS) Office of Inspector General advocate for specific policies, rather than objectively monitoring HHS programs and how well their goals are achieved? The homecare community is posing that question after the Office of Inspector General (OIG) issued a report last summer that the OIG acknowledged was flawed but still used the results to advocate this month for lowering Medicare reimbursement for power wheelchairs – even though reimbursements for these devices have already been cut by 37 percent over the past three years.

“By law, the OIG’s mission is to protect the integrity of HHS programs as well as the health and welfare of the beneficiaries of those programs,” said Tyler J. Wilson, President of the American Association for Homecare (AAHomecare). “The OIG also has a responsibility to report to HHS Secretary Kathleen Sebelius and Congress on the recommendations based on their audits, investigations, evaluations and other mission-related functions.”

But there should be grave concerns in the Obama administration, Congress, and the homecare community if the OIG’s results and recommendations are based on methodologies that can’t be trusted. That certainly appears to be the case with the OIG’s August 2009 report on the acquisition costs for providing power wheelchairs to Medicare beneficiaries, and a 2007 OIG report that compares Medicare acquisition costs to prices on the Internet. Both of these studies contain questionable data and were cited as resource material to support the OIG’s ill-conceived recommendation on reimbursements this month.

OIG REPORT ON INTERNET PRICING DEEPLY FLAWED

The October 2007 OIG report, “A Comparison of Medicare Program and Consumer Internet Prices for Power Wheelchairs,” concluded that Medicare costs are higher than median Internet prices for power wheelchairs. But this report was deeply flawed. In a letter to Inspector General Daniel Levinson, AAHomecare noted that Internet pricing does not compare to the costs associated with providing these devices to Medicare beneficiaries and adhering to appropriate standards of care. A previous OIG analysis of power wheelchair prices acknowledged that savings estimates would be lower if supplier administrative costs were included. Internet pricing does not account for the specialty evaluations performed by certified medical professionals, training, repairs and other non-equipment costs that are required in furnishing power wheelchairs to Medicare beneficiaries.

How many lawmakers want their constituents — senior citizens or people living with physical disabilities — to receive complicated, unassembled power wheelchairs shipped to their front door?

Meanwhile, the August 2009 OIG report, “Power Wheelchairs in the Medicare Program: Supplier Acquisition Costs and Services,” determined that the average amount paid for standard power wheelchairs in 2006 is higher than costs in the private sector. But the OIG conceded their research was incomplete because, once again, it didn’t account for all the services that suppliers provide, noting, “We did not determine the cost of performing these services or other general supplier business expenses, such as billing, accreditation, staff salaries, or facility maintenance.”

Essentially, the August 2009 report fails to include the cost of 26 federally-mandated supplier standards and accreditation requirements that set a floor for the quality of service required of the home medical equipment firms that participate in Medicare. It also excluded the costs for documenting each patient’s medical necessity for a power wheelchair, selecting the appropriate equipment, sizing the beneficiary for the power wheelchair and delivering the equipment.

OIG’S INCOMPLETE DATA MISINFORMS LAWMAKERS

Citing pricing data from the 2009 report, the OIG issued its “2010 Compendium of Unimplemented OIG Recommendations” in March and called on the Centers for Medicare and Medicaid Services (CMS) to determine whether Medicare’s fee schedule for standard and complex rehabilitation power wheelchairs should be cut further.

Besides using the faulty data, the OIG also failed to note that Congress has imposed steep cuts on reimbursement fees for power wheelchairs over the last three years. Those cumulative cuts amount to 37 percent. In addition, there are new medical policies, updated quality standards, and surety bond and mandatory accreditation requirements imposing additional financial burdens and checks on providers. Already, the policy changes and price cuts have caused many wheelchair providers to close their doors or to no longer offer power wheelchairs.

NEW PRICING CUTS WOULD DEVASTATE PROVIDERS

What’s clear is that the OIG is out of touch with the economic conditions in the home medical equipment marketplace: another round of reimbursement cuts would devastate providers and compromise their ability to provide power wheelchairs to Medicare beneficiaries.

The homecare community welcomes research that can help government officials, providers and stakeholders work together to formulate fair pricing schedules, as well as policies that will provide to the most vulnerable people in our society — Medicare patients and people living with disabilities — medical equipment prescribed to improve their safety, ability to function and quality of life. Clearly, confidence must be restored in the OIG research process, and their policy recommendations. This will be an important step toward ensuring that mobility assistance remains available to Medicare beneficiaries.