Caring that Feels Right at Home

Mobility Matters

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Medicare Policies Ignore Aging-at-Home Concept

WASHINGTON, May 24, 2010—At a town hall meeting a year ago, President Obama said that home-based care could play a major role in controlling Medicare costs by keeping older people out of more expensive institutional care. "I actually think homecare ends up being cost-efficient in many cases rather than institutional care, and it helps keep people in their homes," the president told his audience in the Cleveland suburb of Shaker Heights last July.

In March, Sen. Amy Klobuchar (D-Minn.) agreed with the president, declaring that "homecare is a major part of the solution in terms of cost-effectiveness" and adding that with the explosive growth in the nation's older population, "homecare is going to be vital."

But their voices aren't being heard. The Medicare program doesn't seem to agree with their assessment: while key public officials embrace the aging-at-home concept, the government has been moving in the opposite direction.

The Centers for Medicare and Medicaid Services (CMS), which oversees the Medicare program, continues to advocate for policies and regulations that will restrict patient access to medical equipment, such as power wheelchairs and oxygen, which is critical to allowing patients to age with dignity in their homes. These policies have been adopted despite research from a variety of sources that document significant financial and patient benefits.

Even the recently-enacted healthcare reform legislation follows this disturbing trend by eliminating an option allowing a Medicare beneficiary to purchase a power wheelchair in the first month that the product is prescribed. Many providers, particularly in today's tight credit market, will have difficulty covering the upfront costs associated with providing the power wheelchair, as well as maintaining it while receiving payments over a 13-month rental period. More businesses will likely no longer provide power wheelchairs, disrupting patient access, especially in rural areas.

In addition, the government has enacted a 36-month cap on oxygen reimbursement, a policy that removes links between the payments and the medical needs of Medicare beneficiaries.

The fundamental problem is this: the CMS bureaucracy has sought to control Medicare costs by adopting policies and regulations that harm providers and slow expansion of the Medicare mobility benefit. These measures have included a 37 percent price-cut for power wheelchairs over the last three years, denial of many legitimate reimbursement claims that are later reversed

after appeals, and a bidding process that will reduce competition and put providers out of business rather than increase competition.

"For more than a decade, researchers have praised aging-at-home as a concept that will save the government significant money, while being a popular option for patients who want to keep their freedom and independence," said Tyler Wilson, president of the American Association for Homecare (AAHomecare). "But it's puzzling that our government keeps enacting policies that make it more difficult for Medicare beneficiaries to obtain the medical equipment that can help them stay in their homes longer and save taxpayer dollars."

Health Affairs, a leading journal of health policy, reported in its July/August 2005 issue that there are significant advantages—for the government and patients—in providing mobility assistance.

"There is consensus among consumers, policymakers, and researchers that assistive technology is important to promoting self-care and independence among people with disabilities," *Health Affairs* reported. "An estimated 75–90 percent of disabled older community-dwelling adults use some form of assistive technology. Moreover, evidence suggests that such technology might be more efficacious than personal care in reducing functional limitations, might reduce reliance on personal care, and might slow functional decline and lower health-related costs. A recent survey of unpaid caregivers found that 40 percent had obtained assistive technology on behalf of people in their care to 'make things easier.' "

Another study by economists Clifford L. Fry, Ph.D., Donald R. House, Ph.D., and Kent D. Nash, Ph.D., provided specific details on savings, concluding that the Medicare program pays $10,770 a year less for beneficiaries with power mobility equipment because they need fewer hospitalizations and emergency room visits associated with falls and fall-related injuries.

"The largest net savings appear in the category of inpatient expenditures," wrote the economists, whose 2005 study used Medicare claims data to investigate the effects of power mobility equipment on Medicare's healthcare expenditures. "This result is consistent with reports by others that mobility assistive devices can reduce falls and related hospitalizations and associated expenses… Significant Medicare savings are also reported for outpatient, home healthcare, and physician services expenditures…The combined reductions in these Medicare expenditures more than offset the increase in durable medical equipment expenditures for those receiving Medicare funding for powered mobility."

Meanwhile, staying in their homes is a clear priority for the elderly and patients with disabilities. "Loss of independence and loss of mobility are what people with disabilities 50 and older say they fear the most as they look to the future," AARP reported in a 2003 study. Moreover, the U.S. Census Bureau calculates that the number of citizens over 65 will more than double between 2010 and 2050, greatly increasing demand for mobility assistance.

The year-long debate over healthcare reform was supposed to usher in a new era of healthcare policy, one in which the priority was to increase efficiency by targeting taxpayer dollars to the most practical services and those that produce the best outcomes for patients.

That new priority needs to start with the Medicare program.

"The strategies are outdated, and the policies are broken," said Wilson of AAHomecare. "What good does it do to artificially suppress utilization of homecare products when these products can ultimately save ten-fold in taxpayer dollars and allow Medicare beneficiaries the freedom and independence that they desire and deserve? We are hoping that, if Dr. Donald Berwick is confirmed as CMS administrator, he will place a priority on building a Medicare program for the future, one that adopts the aging-at-home concept that beneficiaries want, and that government can't afford to ignore."

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Mobility Matters is published by the American Association for Homecare (AAHomecare) to inform Congress, policymakers, and the media about Medicare's power mobility benefit and the need to sustain it. AAHomecare is committed to helping seniors and people living with disabilities regain their freedom and independence. To learn more about the Medicare power mobility benefit, go to www.aahomecare.org/mobility. AAHomecare represents durable medical equipment providers, manufacturers, and others in the homecare community who serve the medical needs of millions of Americans who require oxygen equipment and therapy, mobility assistive technologies, medical supplies, inhalation drug therapy, and other medical equipment and services in their homes. Members operate more than 3,000 homecare locations in all 50 states. Visit www.aahomecare.org/athome.