

MEMORANDUM

Date: August 29, 2016

Subject: GAO Report Highlights Differences in Standard Mobility Versus Complex Rehab Technology

OVERVIEW

The Patient Access and Medicare Protection Act included a provision that GAO report on Complex Rehab Technology (CRT) accessories used with group 3 power wheelchairs. On June 1, 2016, GAO published the report titled, "[Medicare: Utilization and Expenditures for Complex Wheelchair Accessories](#)." This study reviewed the expenditure and utilization of complex rehabilitative technology (CRT) power group 3 wheelchairs and accessories, and compared the price of group 3 wheelchair accessories between 2016 Competitive Bidding Program (CBP)- adjusted payment rates and 2016 unadjusted fee schedule rates.

The GAO found that:

- CRT wheelchairs and accessories have less utilization than their standard mobility counterparts,
- Expenditures for group 3 wheelchair and accessories is higher than other wheelchairs,
- CBP-adjusted payment rates are lower than 2016 unadjusted rates, and
- CRT wheelchairs and accessories have distinct differences in price, characteristics, technology, and beneficiary user groups than standard mobility wheelchairs and accessories even though they frequently share the same HCPCS code

UTILIZATION AND EXPENDITURE FINDINGS

The GAO found that in 2014, CMS supplied 603,000 wheelchairs at a cost of \$309 million and 1.7 million wheelchair accessories at \$311 million. However, of the total wheelchairs used, group 3 wheelchairs accounted for 2% (~13,000) of total wheelchairs and 22% of total expenditures (~\$69 million).

Three of the 17 wheelchair codes that were utilized in 2014 were for Group 3 wheelchairs. HCPCS code K0861 was the most popular group 3 wheelchair for 2014, and there were approximately 7,000 that were bought or rented, accounting for \$39 million in expenditures.

The GAO found that group 3 wheelchair users generally were using more accessories than those using other wheelchairs. While group 3 wheelchair accessories only accounted for 18% (312,000) of the 1.7 million accessories used in 2014, it accounted for 51% of the total accessories expenditures (~\$159 million). HCPCS code E1007, a combination tilt and recline power seating system, was the accessory with the highest expenditure and it accounted for 35% of total expenditures on accessories used for group 3 wheelchairs. The top 10 group 3 accessories accounted for 82% of total accessories expenditures. However, the GAO clarified that the group 3 accessories with the highest costs were not necessarily used solely for group 3 wheelchairs, some of the accessories were used in combination with other types of wheelchairs.

PRICE COMPARISON FINDINGS

Overall, the GAO found that 2016 CBP-adjusted rates were lower than 2016 unadjusted fee schedule rates for wheelchair accessories. Out of the 10 group 3 wheelchair accessories with the highest expenditures, 8 had CBP-adjusted rates. The GAO found that CBP-adjusted rates for the 8 accessories



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were lower than unadjusted fee schedule by a range of 5%-17% and the difference will likely be larger when the full transition of CBP-adjusted rates take effect on July 1st. The other 2 accessories were miscellaneous accessory codes and are not part of CBP.

The following are tables that were included in the report.

Table 1: Medicare Utilization and Expenditures of Wheelchairs, by Type, 2014

Wheelchair type	Utilization (thousands)	Percent	Expenditures (millions)	Percent
CRT, power, group 3	13	2	69	22
CRT, power, other	2	<1	6	2
CRT, manual	12	2	20	7
Standard, power	61	10	89	29
Standard, manual	515	86	125	41
Total	603	100	309	100

Source: GAO analysis of Centers for Medicare & Medicaid Services data. | GAO-16-640R

Legend: CRT = Complex Rehabilitative Technology.

Note: Utilization is the count of all wheelchairs beneficiaries bought or rented during 2014. Expenditures accounted for spending by the Medicare program and by beneficiaries.

Table 2: Medicare Utilization and Expenditures for the Ten Wheelchair Accessories with the Highest Estimated Expenditures When Used with CRT Power Group 3 Wheelchairs, 2014

Code	Accessory description	2014 utilization and expenditures			
		Total		Estimate when used with CRT Power G3	
		Utilization (thousands)	Expenditures (millions)	Percent of items	Expenditures (millions)
E1007	Power seating system, tilt and recline, mechanical shear reduction	7	58	97	56
E2311	Electronic connection, between controller and two or more power seating system motors	9	20	93	19
K0108	Wheelchair accessories, not otherwise specified	133	21	49	16
E1002	Power seating system, tilt only	5	18	77	14
E1028	Mounting hardware for joystick, control interface, or positioning accessory	50	9	70	7
E1008	Power seating system, tilt and recline, power shear reduction	1	5	97	5
E2361	Battery, group 22NF	51	6	61	4
E2377	Expandable controller	8	4	96	4
E2313	Harness, for upgrade to expandable controller	9	3	95	3
E2620	Back cushion, positioning, planar back with lateral supports, width < 22 in.	9	5	70	3
Subtotal of top ten		281	148	62	130
Total among all accessories		1,733	311	18	159

Source: GAO analysis of Centers for Medicare & Medicaid Services data. | GAO-16-640R

Note: Utilization is the count of all wheelchair accessories beneficiaries bought or rented during 2014 and the percentage of items used with complex rehabilitative technology (CRT) power group 3 wheelchairs. Expenditures include spending by the Medicare program and by beneficiaries. The utilization and expenditures do not include accessories for which Medicare does not pay for separately—such as accessories that are part of the basic equipment package provided with a new wheelchair.



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Table 3: Blended CBP-Adjusted and Unadjusted Fee Schedule Payment Rates, for the Ten Wheelchair Accessories with the Highest Estimated Expenditures When Used With CRT Power Group 3 Wheelchairs

Code	Accessory description	Unadjusted	2016 average payment rates	
			50/50 blended CBP-	Percentage difference
E1007	Power seating system, tilt and recline, mechanical shear reduction	8,329	7,856	-6
E2311	Electronic connection, between controller and two or more power seating system motors	2,257	2,141	-5
K0108	Wheelchair accessories, not otherwise specified	N/A	N/A	N/A
E1002	Power seating system, tilt only	3,862	3,645	-6
E1028	Mounting hardware for joystick, control interface, or positioning accessory	197	164	-17
E1008	Power seating system, tilt and recline, power shear reduction	8,330	7,951	-5
E2361	Battery, group 22NF	132	119	-10
E2377	Expandable controller	463	444	-4
E2313	Harness for upgrade to expandable controller	35	N/A	N/A
E2620	Back cushion, positioning, planar back with lateral supports, width < 22 in.	522	454	-13

Source: GAO analysis of Centers for Medicare & Medicaid Services data. | GAO-16-640R

Note: The average 2016 50/50 blended competitive bidding program (CBP) adjusted and unadjusted fee schedule payment rates were calculated as the average of the urban rates for each state in the contiguous United States, when the item was provided new and used with a wheelchair included in CBP round 1. If the item only had a published rental rate, we calculated the new purchase rate as the rental rate times 10, per CMS policy. The table includes the 10 accessories with the highest estimated expenditures when used with complex rehabilitative technology (CRT)

HOW THE REPORT SUPPORTS NEED FOR PASSING CRT LEGISLATION

The GAO report corroborates information provided by CRT stakeholders on several key points that support the need for passing HR 3229/S 2196. Notably, it recognized that:

- **CRT is distinctly unique from standard mobility and serves a different patient population.**
 - CRT is used by those who have high level disabilities, such as Multiple Sclerosis
 - Unlike out of the box standard mobility products, CRT is individually configured to meet the beneficiary’s needs, and accessories can play an integral role in properly fitting the mobility equipment to the person.
 - Although CRT and standard mobility accessories share the same HCPCS coding, they vary in price, characteristics, and technology.
- **Congress purposefully and statutorily excluded CRT group 3 manual and power wheelchairs and related accessories from the Competitive Bidding Program (CBP) and subsequent pricing since 2009.**
 - Congress statutorily excluded group 3 and higher wheelchairs and related accessories from the CBP via the Medicare Improvements for Patients and Providers Act of 2008.
 - The limited CBP data that exists for group 3 wheelchairs and related accessories is from a two-week period of the 2009 original Round One for nine of 109 metro areas that was halted by Congress.



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- The report recognizes that CRT includes both manual and power wheelchairs.

Recognizing the fundamental differences between CRT and standard mobility, support for HR 3229/ S 2196 is growing as CRT stakeholders, consumer groups, and Members of Congress work to prevent CMS from applying CBP mobility pricing to group 3 CRT wheelchairs and accessories. **Legislative action must be taken to prevent these significant and inappropriate cuts (ranging from 10-34%) from affecting CRT accessories.**