AAHOMECARE
American Association for Homecare

Accomplishments

Empowering a New Genration of HME Providers

Legislative Success

WORKED WITH CONGRESS:

• The Consolidated Appropriations Act of 2021 (H.R. 133), passed in December 2020, included a **permanent fix for oxygen budget neutrality requirements**, which AAHomecare has advocated on behalf of for more than four years, and a **three-month extension on the 2% Medicare sequester cuts**.

• Enlisted strong **Congressional support for delaying implementation of Round 2021 of the Competitive Bidding Program**, which helped lead CMS to remove most major HME product categories from Round 2021 and keeps the Medicare market open to all suppliers.

• **Secured 50/50 blended rates for rural and non-contiguous areas.** Passed separate legislative language out of each chamber for the Patient Access to Durable Medical Equipment Act of 2016 (H.R. 5210 and S. 2736) to extend the transition time for the scheduled July 1, 2016 Medicare rate cuts for rural and other non-CBA providers. AAHomecare worked with House and Senate leadership to reconcile the two bills. A six-month extension of 50/50 blended rate was included in the 21th Century Cures bill and signed into law, and regulatory action has continued this relief for suppliers.

• **Prevented expansion of the Competitive Bidding Program** to infusion & inhalation drugs, ostomy, urological, and tracheostomy supplies as suggested in the President's Proposed Budget for 2016.

• Worked to ensure that HME suppliers were included in the groups **eligible for more than $90 billion in provider relief funds granted** under the CARES Act, including a share of the $30 billion initial direct distribution in April 2020 to companies serving Medicare beneficiaries.

PASSAGE OF LEGISLATION INTO LAW:

• **Language included in H.R. 2, passed in 2015, requires binding bids and state licensure** for all new rounds of Competitive Bidding contracts to prohibit speculative bidders in competitive bidding. (P.L. 114-10)

•Successfully advocated for an additional 6-month extension of the CRT power accessory relief in the 21st Century Cures bill. Worked with HHS and CMS to make the relief permanent. CMS announced that CRT power wheelchairs and accessories are permanently exempted from bidding-derived pricing on June 23, 2017. This change provided **over $500 million in relief**. AAHomecare worked with the Administration and Congress to ensure the retro payment process worked as efficiently as possible. At the end of 2019, successfully advocated for legislation to exempt CRT manual bases from CB pricing and provided 18 months of relief for CRT manual accessories from CB cuts.

• The Consolidated Appropriations Act 2018 (Omnibus) included report language encouraging the release of the Interim Final Rule by the Office of Management and Budget, which was subsequently released in May, **providing the HME Industry $360 million in non-bid relief for rural and non-contiguous area**s. (P.L. 115-141)

ADVOCATED FOR BIDDING PROGRAM REFORM

• Worked with Congress and CMS to enact reforms including adopting maximum winning bid pricing methodology and adoption of measures to keep speculative bidders out of the program. Leveraged Congressional support to convince CMS to **remove non-invasive ventilators from bidding program in 2020**.

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Regulatory Wins

CMS REMOVES 13 DME PRODUCT CATEGORIES FROM ROUND 2021

- **CMS chose not to move forward with Round 2021 competitive bidding** except for off-the-shelf back braces and knee braces product categories, allowing for any willing suppliers to provide DME in competitive bidding areas.

CMS PROVIDES FLEXIBILITIES DURING COVID-19 PUBLIC HEALTH EMERGENCY (PHE)

- DME MAC TPE audits that were in progress at the beginning of the PHE were released and paid.

- Face-to-face (F2F) requirement is waived for all items where F2F is required by NCDs and LCDs (including articles) except for power mobility devices.

- Proof of Delivery signature requirements waived.

- Suppliers can provide a multi-function ventilator (E0467) as an upgrade to beneficiaries who qualify for a ventilator.

- Expanded use of telehealth to prescribe and reauthorize DME.

- Physical therapists, occupational therapists, and other health care professionals are allowed to conduct telehealth services.

IMPROVEMENTS TO THE TPE PROCESS

- CMS clarified that **MACs shall implement edits for Round 2 and Round 3 based on the date of service** and not the date the claim was submitted.

- CMS clarified that **MACs shall allow 45 - 56 days between each education intervention** and the next round for the provider/supplier to improve.

- CMS implemented the TPE 10-Claim Preview for DME. Suppliers that show compliance on all 10 claims will be **released from the TPE process for that HCPCS code for 1 year**.

IMPROVEMENTS TO THE APPEALS PROCESS

- CMS implemented the Serial Claims Initiative and QIC Telephone Demonstration, which have **significantly reduced the number of DMEPOS claims** in the ALJ backlog.

- CMS **reduced the number of DMEPOS appeals** pending for an ALJ hearing by 70% between 2018-2020.

GUIDANCE ISSUED BY CMS ON MEDICAID COVERED/MEDICARE NON-COVERED DMEPOS

- CMS issued guidance to Medicaid agencies that cover DME that Medicare does not. **States may consider creating a list of DME items that are not covered by Medicare to expedite Medicaid payment.**

- States can develop a **"Medicare Non-Covered Items" list and use it to immediately process claims**. They would not need to require proof of Medicare denial.

- States should **encourage their Medicaid managed care organizations to adopt the same list**.

WRITTEN ORDER REQUIREMENT CHANGES TO ALLOW FLEXIBILITY

- In the final rule CMS-1713-F, CMS announced changes to the data element requirements for written order to become effective some time in 2020. The **written order for ALL DMEPOS will now be the same with 6 elements**, which includes flexibility on beneficiary name or MBI and prescriber name or NPI.

FACE-TO-FACE TIME FRAME INCREASE FOR PMD

- In the final rule CMS-1713-F, CMS announced **changed the F2F time frame requirement for PMDs** from 45 days to six months to be effective some time in 2020.

"Our organization values our membership at AAHomecare. We have appreciated great value in the resources available from AAHomecare and the work and assistance they provide to assist us in fighting many of the pressing issues facing our industry."

Gayle Devin, ActivStyle, Inc.

Payer Relations Achievements

$70 M PUT BACK IN PROVIDERS POCKETS (IN LAST 2.5 YEARS), $60 M RECURRING ANNUALLY

- **Secured rate floor protection ($14 million)** in three states

- **Preventing CURES cuts ($54 million)** in four states

ADDITIONAL REIMBURSEMENT SAVINGS

- **Prevented over $15 million in CURES paybacks** from state Medicaid programs to CMS while creating opportunity to maintain/increase DME rates and build goodwill with the state.

- **Tax exemption legislation was passed in North Carolina ($2 million)**

- **Developed relationships with DME Contracting** at various payers in high level positions to provide input and partnership for DMEPOS policy decisions and to influence sustainable reimbursement rates.

- **Delayed implementation of CareCentrix's payment suspension policy** and exempted capped rental items and beneficiaries who also use life sustaining equipment such as oxygen

- **Spearheading a coordinated effort with state associations** to address state legislative and regulatory avenues to achieve HME priorities.

- **West Virginia passed legislation with authorization improvements effective July 2020.**

- Worked in California with LA Care (MCO plan) to **eliminate network restrictions**.

- Worked with TRICARE contractors and Dept. of Defense to ensure **adoption of CARES Act rates adjustments and retroactive reprocessing of claims** to March 1.

PUBLIC HEALTH ACHIEVEMENTS

- **34 state Medicaid agencies adopted COVID-19 policy recommendations** made by AAHomecare and our state association partners.

- **Spearheaded COVID-19 industry sign-on letter** to commercial payers endorsed by 150 suppliers, manufacturers, and other HME stakeholders, helping convince many major payers to adopt our policy reocmmendations for responding to the PHE.

- **Preserved rates for additional 24 states** where their Medicaid program made no rate reductions

Studies & Research

VALUE OF HME

- **Developed "True Cost of HME" study** to analyze full operational costs plus cost of goods against current Medicare reimbursement environment. Created tool that can be used for future cost study models and resource that was used as a legislative document in pushing for Competitive Bidding delay and reform. The Cost Study is being used as a tool by the industry in negotiating pricing agreements for DMEPOS providers and in pricing discussions with payers at a state and national level.

- Surveyed 1,064 beneficiaries, case managers/discharge planners, and DME suppliers to analyze Medicare beneficiary access to DME, services, and supplies under the Competitive Bidding program. More than 1 in 2 beneficiary respondents reported access issues, while 1 in 3 reported paying increased out-of-pocket expenses for DME; nearly 90% of case managers reported inability to obtain DME and/or services in a timely fashion. The **Patient Access Survey** was used as a tool by the Industry to substantiate need for Competitive Bidding reforms and the release of the Interim Final Rule at OMB.

- Commissioned **study on new operational and cost environment for HME suppliers during COVID-19 PHE** to support outreach to CMS, Capitol Hill, and third-party payers on relief and relaxing requirements for our industry.