Eliminating Medicare Restrictions to Essential Services and Equipment: What Can You Do?

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Alexandra Bennewith, MPA
Director, Government Relations, United Spinal Association
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abennewith@unitedspinal.org
(202) 556-2076 x7102
Who is United Spinal Association?
so many programs, so many services
What is Public Policy?

• Government addressing public issues by instituting laws, regulations, decisions, or actions
  – Such issues include concerns related to **health and social welfare, civil rights, employment and education**

• How United Spinal Association influences policy:
  – Meetings, conference calls and regular correspondence with Administration and federal agency officials and Congressional Members and staff
  – Attends hearings, submits testimony, sponsors briefings, produces reports and position statements
  – Actively engages in coalition advocacy with like-minded organizations such as the CCD, NDLA and others
Our Discussion Today

• What’s going on in Washington?
• Medicare
  – Complex Rehab Technology
  – PMD Demo
  – Competitive Acquisition Program
  – Prescription Drugs
  – Outpatient Rehab Payments
• How you can get involved and make a difference
What’s going on in Washington?

• 2012 Presidential and Congressional Elections
• FY 2013 budget battles – Medicare proposals vary widely
• Affordable Care Act Challenges Before Supreme Court
  • Individual mandate, essential health benefits, Medicaid expansion
• Several provisions expire at end of 2012
  • Outpatient Rehab Therapy payment cap appeals mechanism
  • Physician payment cut “Doc Fix” extension
  • Social Security Payroll Tax Break
• What’s coming up in 2013
  • Medical device tax – January 2013
  • Impact of Budget Control Act of 2011
  • Debt ceiling increase – January 2013
Medicare, why do we care?

- Medicare is the primary source of health care coverage for older Americans.
- Medicare covers 49 million people, including 8 million individuals with disabilities under age 65.
- In 2011, Medicare spending was estimated at 15% of total federal spending and 21% of total national health spending.
- In conjunction with Social Security, Medicare plays a vital role in providing financial security to seniors and individuals with disabilities.
- 2010 data states that Medicare Trust Fund will be depleted by 2029, 2011 data states funds will be depleted by 2024.
Medicare Reform

Former Sen. Pete Domenici (R-NM) and Former OMB Director Alice Rivlin

‘Domenici-Rivlin Protect Medicare Act’, December 2011

- Beneficiaries receive federal payment equivalent to traditional Medicare value for purchase of private plan beginning in 2016
- Traditional Medicare coverage would be offered through insurance exchanges with other private plans
- Federal premium support would be adjusted for health status, geographic location and possibly income
- Plans would be subject to strict quality and coverage standards
- CMS would be required to enforce rules to prohibit plans from being able to “cherry-pick” healthier beneficiaries
Medicare Reform

House Budget Committee Chair, Rep. Paul Ryan (R-1st WI)
‘Path to Prosperity: Restoring America’s Promise’, April 2011

- Effective 2022, elderly would receive a fixed premium support payment for the purchase of a private plan – this voucher is not fixed at value of traditional Medicare
- Traditional Medicare would still be available only to those aged 55 and older in 2011
- No option for coverage for people qualifying for Medicare based on disability
- Benefits package would meet certain compliance standards
- Payments would be adjusted by health status, income and age
- Higher income beneficiaries would receive lower premium supports
Federal Spending on Medicare, Social Security

Source: CBPP projections based on CBO data
Characteristics of the Medicare Population

NOTE: ADL is activity of daily living.
Medicare Benefit Payments by Type of Service, 2011

**Figure 2**

Medicare Benefit Payments By Type of Service, 2011

- **Hospital Inpatient Services**: 26%
- **Outpatient Prescription Drugs (Part D)**: 12%
- **Physician Payments**: 12%
- **Other Services**: 12%
- **Home Health**: 4%
- **Skilled Nursing Facilities**: 5%
- **Medicare Advantage (Part C)**: 23%
- **Part A**: 26%
- **Part A and B**: 5%
- **Part B**: 12%
- **Part D**: 4%

**Total Benefit Payments = $551.3 billion**

*NOTE: Numbers may not sum to 100% due to rounding. Total does not include administrative expenses and is net of recoveries.*

*SOURCE: CBO Medicare Baseline, March 2011.*
What does Medicare spend on DME?

Durable Medical Equipment Represents Approximately 1.4% of Medicare Spending
Medicare Expenditures: 1997 to 2010 (in billions)

Source: CMS National Health Expenditures (NHE), 2010 (latest data available)
Medicare DME expenditures were approximately $7.5 billion in 2010, representing no change in payments for DME from 2009.
What is Complex Rehab Technology?

Products and services, including medically necessary **individually configured** manual and power wheelchair systems, adaptive seating systems, alternative positioning systems, and other mobility devices that require evaluation, fitting, design, adjustment and programming.

Such technology is designed to meet the specific and unique medical and functional needs of an individual with primary diagnoses resulting from a congenital disorder, progressive or degenerative neuromuscular disease, or from an injury or trauma.
More About Complex Rehab Technology

- Complex rehab technology is unique and significantly differs from standard DME
- Population served by CRT requires more highly specialized services
  - Many products require a physical evaluation
  - Involves credentialed specialists
- CRT is subject to more stringent quality standards of compliance than other DME
Complex Rehab Technology
Medicare Separate Benefit

Medicare currently does not have unique coverage for the more complex needs of individuals with disabilities and chronic medical conditions requiring customized products and services as medically necessary in the interest of quality healthcare and optimal functionality. A new Medicare benefit category is warranted.
CRT: What’s the Message?

• **Ask your Representative to co-sponsor legislation that would create a separate benefit category for Complex Rehab Technology**

• Stay tuned for an update on this shortly
New Medicare Power Mobility Device (PMD) Demonstration Program

• Implements a new “prior authorization” process for applicable PMD provided to Medicare beneficiaries in 7 states: CA, FL, IL, MI, NY, NC and TX

• Scheduled to start June 1, 2012

• CMS will likely extend program to all states after 2014
PMD Demo – What DME is impacted?

- All power operated vehicles
  - K0800 - K0805
  - K0809 - K0812

- All standard power wheelchairs
  - K0813 - K0829

- All Group 2 complex rehabilitative power wheelchairs
  - K0835 - K0843

- All Group 3 complex rehabilitative power wheelchairs
  - K0848 - K0855
  - without power options

- All pediatric power wheelchairs
  - K0890 - K0891

- Miscellaneous power wheelchairs
  - K0898

Excluded (competitive acquisition)
- Group 3 complex rehabilitative power wheelchairs
  - with power options
  - K0856 - K0864
PMD Demo: What’s your role?

• United Spinal is working closely with CMS and other physician, supplier and clinician stakeholders to make sure that the prior authorization process is evaluated, refined and implemented effectively to meet all parties’ needs without sacrificing timely access to necessary quality care.

• Tell United Spinal if you are being impacted negatively by this demonstration, e-mail me, Alex, at: abennewith@unitedspinal.org

• Contact CMS, call 1-800-MEDICARE or visit www.medicare.gov to express your concerns.
Competitive Acquisition Program: What is it?

- Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) required bids to be submitted to select a limited number of suppliers to provide and service certain Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)
- First round was initiated in 10 cities in July 2008, (stopped after two weeks), Round One v.2 began on January 1, 2011
- Program will expand to 91 additional cities on July 2013
CAP Affected Cities – Round One Rebid

- Cincinnati – Middletown (Ohio, Kentucky and Indiana)
- Cleveland – Elyria – Mentor (Ohio)
- Charlotte – Gastonia – Concord (North Carolina and South Carolina)
- Dallas – Fort Worth – Arlington (Texas)
- Kansas City (Missouri and Kansas)
- Miami – Fort Lauderdale – Pompano Beach (Florida)
- Orlando (Florida)
- Pittsburgh (Pennsylvania)
- Riverside – San Bernardino – Ontario (California)
CAP Product Categories – Round One Rebid

- Oxygen Supplies and Equipment
- Standard Power Wheelchairs, Scooters, and Related Accessories
- Complex Rehabilitative Power Wheelchairs and Related Accessories (Group 2)
- Mail-Order Diabetic Supplies
- Enteral Nutrients, Equipment and Supplies
- CPAP, RADs, and Related Supplies and Accessories
- Hospital Beds and Related Accessories
- Walkers and Related Accessories
- Support Surfaces (Group 2 mattresses and overlays) in Miami
CAP Affected Cities - Round Two

WEST

Albuquerque, NM
Bakersfield-Delano, CA
Boise City-Nampa, ID
Colorado Springs, CO
Denver-Aurora-Broomfield, CO
Fresno, CA
Honolulu, HI
Las Vegas-Paradise, NV
Los Angeles-Long Beach-Santa Ana, CA
Oxnard-Thousand Oaks-Ventura, CA
Phoenix-Mesa-Glendale, AZ
Portland-Vancouver-Hillsboro, OR-WA
Sacramento-Arden-Arcade-Roseville, CA
Salt Lake City, UT
San Diego-Carlsbad-San Marcos, CA
San Francisco-Oakland-Fremont, CA
San Jose-Sunnyvale-Santa Clara, CA
Seattle-Tacoma-Bellevue, WA
Stockton, CA
Tucson, AZ
Visalia-Porterville, CA
CAP Affected Cities – Round Two

MIDWEST

Akron, OH
Chicago-Joliet-Naperville, IL-IN-WI
Columbus, OH
Dayton, OH
Detroit-Warren-Livonia, MI
Flint, MI
Grand Rapids-Wyoming, MI
Huntington-Ashland, WV-KY-OH
Indianapolis-Carmel, IN
Milwaukee-Waukesha-West Allis, WI
Minneapolis-St. Paul-Bloomington, MN-WI
Omaha-Council Bluffs, NE-IA
St. Louis, MO-IL
Toledo, OH
Wichita, KS
Youngstown-Warren-Boardman, OH-PA
Round 2 CAP Affected Cities

**SOUTH**

Asheville, NC
Atlanta-Sandy Springs-Marietta, GA
Augusta-Richmond County, GA-SC
Austin-Round Rock-San Marcos, TX
Baltimore-Towson, MD
Baton Rouge, LA
Beaumont-Port Arthur, TX
Birmingham-Hoover, AL
Cape Coral-Fort Myers, FL
Charleston-North Charleston-Summerville, SC
Chattanooga, TN-GA
Columbia, SC
Deltona-Daytona Beach-Ormond Beach, FL
El Paso, TX
Greensboro-High Point, NC
Greenville-Mauldin-Easley, SC
Houston-Sugar Land-Baytown, TX
Jackson, MS
Jacksonville, FL
Knoxville, TN
Lakeland-Winter Haven, FL
Little Rock-North Little Rock-Conway, AR
Louisville/Jefferson County, KY-IN
McAllen-Edinburg-Mission, TX
Memphis, TN-MS-AR
Nashville-Davidson-Murfreesboro-Franklin, TN
New Orleans-Metairie-Kenner, LA
North Port-Bradenton-Sarasota, FL
Ocala, FL
Oklahoma City, OK
Palm Bay-Melbourne-Titusville, FL
Raleigh-Cary, NC
Richmond, VA
San Antonio-New Braunfels, TX
Tampa-St. Petersburg-Clearwater, FL
Tulsa, OK
Virginia Beach-Norfolk-Newport News, VA-NC
Washington-Arlington-Alexandria, DC-VA-MD-WV
CAP Affected Cities - Round Two

NORTHEAST

Albany-Schenectady-Troy, NY
Allentown-Bethlehem-Easton, PA-NJ
Boston-Cambridge-Quincy, MA-NH
Bridgeport-Stamford-Norwalk, CT
Buffalo-Niagara Falls, NY
Hartford-West Hartford-East Hartford, CT
New Haven-Milford, CT
New York-Northern New Jersey-Long Island, NY-NJ-PA
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD
Poughkeepsie-Newburgh-Middletown, NY
Providence-New Bedford-Fall River, RI-MA
   Rochester, NY
Scranton-Wilkes-Barre, PA
   Springfield, MA
   Syracuse, NY
   Worcester, MA
CAP Product Categories – Round Two

- Oxygen, oxygen equipment, and supplies
- Standard (Power and Manual) wheelchairs, scooters, and related accessories
- Enteral nutrients, equipment, and supplies
- Continuous Positive Airway Pressure (CPAP) devices and Respiratory Assist Devices (RADs) and related supplies and accessories
- Hospital beds and related accessories
- Walkers and related accessories
- Negative Pressure Wound Therapy pumps and related supplies and accessories
- Support surfaces (Group 2 mattresses and overlays)
CAP Potential Consumer Impacts

– Difficulty finding a local equipment or service provider
– Delays in obtaining medically required equipment and services
– Longer than necessary hospital stays due to trouble discharging patients to home-based care
– Far fewer choices for patients when selecting equipment or providers
– Reduced equipment, parts and service quality; and
– Confusing or inaccurate information provided by Medicare
CAP: What’s your role?

- United Spinal is continuing to monitor the program to ensure that beneficiary access to quality equipment and services is not negatively impacted.

- Check the Medicare Supplier Directory at [www.medicare.gov](http://www.medicare.gov) to determine whether your current supplier can be used.

- Tell United Spinal how you are being impacted by this program. E-mail me, Alex, at [abennewith@unitedspinal.org](mailto:abennewith@unitedspinal.org).

- Having problems? Contact Medicare’s Competitive Acquisition Ombudsman at [CompetitiveAcquisitionOmbudsman@cms.hhs.gov](mailto:CompetitiveAcquisitionOmbudsman@cms.hhs.gov) or 1-800-MEDICARE and/or your State Health Insurance Assistance Program (SHIP) [http://www.hapnetwork.org/ship-locator/](http://www.hapnetwork.org/ship-locator/).
Medicare Prescription Drug Coverage

- ACA reforms changed Medicare prescription drug coverage to **reduce the out-of-pocket cost** impacts of the “doughnut hole” coverage gap
- Medicare will gradually phase in **additional subsidies** in the coverage gap for brand-name drugs (2013) and generic drugs (2011), reducing the beneficiary payment in the gap from 100 percent to 25 percent by 2020
- Between 2014 and 2019, the law reduces the out-of-pocket amount that qualifies an enrollee for **catastrophic coverage**, further reducing out-of-pocket costs for those with relatively high prescription drug expenses
What are ‘Specialty Tier’ Drugs

• Part D Prescription Plans establish formularies that list the specific drugs they cover, either:
  – 25 percent co-insurance for all covered drugs, or
  – tiered cost-sharing (generic, preferred, non-preferred, specialty tier – high cost, unique drugs)
  – prescription drugs costing more than $600/month may be placed on ‘specialty tier’

• Out of 44 PDPs, (89% of all PDPs nationwide), 38 PDPs use a specialty tier*
  – one of the top 10 covered specialty drugs listed in 38 PDPs is Copaxone which is one treatment for multiple sclerosis

*(KFF, Medicare Part D 2009 data)
• **HR 3613 - Part D Beneficiary Appeal Fairness Act** introduced by Rep. Hank Johnson (D-4th GA) - 12/8/2011. There are currently 33 cosponsors.
  – Allows for a Medicare Part D individual to request an exception that would place prescription “specialty tier’ drugs on a lower-cost tier
  – Insurance companies would not be able to block elements of a cost-sharing structure from an exception request
Prescription Drug Coverage: What’s the Message?

• Urge your Congressman to co-sponsor of HR 3613 and support implementation of an appeals process for seniors with Medicare Part D coverage who are dependent on ‘specialty tier’ drugs
Medicare arbitrarily caps at $1,880 annual payments for outpatient occupational therapy and outpatient physical therapy and speech therapy combined.

- An extension of the therapy cap “exceptions” process allows Medicare beneficiaries to seek waivers to exceed the annual limit for medically necessary services.

- Failing the development by CMS of a fair payment methodology, this exceptions process has required enactment of annual legislation since 1997.

- The current exceptions process extension will end at the conclusion of 2012.
Outpatient Rehab Payments

- Congressmen Jim Gerlach (R-PA) and Xavier Becerra (D-CA) and Senators Ben Cardin (D-MD) and Susan Collins (R-ME) introduced The Medicare Access to Rehabilitation Services Act (HR 1546/S 829). HR 1546 has 144 cosponsors. S. 829 has 19 cosponsors.

- The bill would repeal the arbitrary Medicare Part B Outpatient Therapy Caps now affecting an estimated 640,000 Medicare beneficiaries being denied access to needed services.

- Ending the therapy cap would ensure that Medicare beneficiaries recovering from spinal cord injury and disorders receive the therapy they need to live productive, independent lives and avert costing Medicare more due to increased hospitalizations.
Outpatient Rehab Payments: What’s the Message?

• **Urge your Representative and Senators to co-sponsor HR 1546/S. 829 to eliminate Medicare’s arbitrary and unfair outpatient rehab therapy payment caps**
Medicare: What’s your overall message to Congress?

• I depend on Medicare for needed equipment and services to support my health and my instrumental activities of daily living

• Without that support I would not be able to engage in my community for the purposes of going to work, attending religious services, fulfilling medical appointments, going grocery shopping and more

• Describe your personal experiences
Review of Key Medicare Messages

**Complex Rehab Technology**
Ask your Representative to co-sponsor legislation that creates a separate Medicare benefit category for Complex Rehab Technology. (Stay tuned for an update on this shortly.)

**Prescription Drugs**
Ask your Representative to co-sponsor **HR 3613** and support implementation of an appeals process for beneficiaries on Medicare Part D dependent on ‘specialty tier’ drugs.

**Outpatient Rehab Payments**
Ask your Representative and Senators to co-sponsor **HR 1546 / S. 829** to eliminate Medicare’s outpatient rehab therapy pay caps.
Review of Key Medicare Messages

Power Mobility Device Demo

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Contact CMS, call 1-800-MEDICARE, visit www.medicare.gov

Competitive Acquisition Program

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Contact CMS, Competitive Acquisition Ombudsman
CompetitiveAcquisitionOmbudsman@cms.hhs.gov/
1-800-MEDICARE/(1-800-633-4227)
Get Involved with Advocacy
 YOU Can Make A Difference

• Attend a town hall hearing or meeting

  Senator Tom Harkin (D-IA), Chair, Senate HELP Committee

• Contact your Member of Congress
  – U.S. Capitol Switchboard: (202) 224-3121

• Find your Senator and Representative

• Or you can
Get Involved with United Spinal Association

• Engage in United Spinal activities across the country
  – United Spinal successes:
    • at the federal level – PMD Demonstration
    • at the state level – OK Medicaid
  – Join a chapter or support group

• Register for a webinar

• Attend United Spinal Association’s Roll on Capitol Hill
  June 25-26, 2012, Washington, DC
Upcoming Webinars

• **April 26** – The Ins and Outs of Manual Wheelchairs – Matching the Wheelchair to Your Life

• **May 31** – Looking for Employment and Decent Wages: How is the government helping You?

• **July 26** – The ADA and Accessible Taxis
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  – Medicare Supplier Directory, visit: www.medicare.gov
  – State Health Insurance Assistance Program (SHIP) http://www.hapnetwork.org/ship-locator/