



Proposal for Power Wheelchairs Will Increase Medicare Costs While Reducing Access

Issue:

The Children's Health and Medicare Protection (CHAMP) Act includes a provision (Section 608) to eliminate the current Medicare beneficiary purchase option for power wheelchairs and require all power wheelchairs to be rented for 13 months. The intent of the provision is to make sure Medicare does not pay excessively for the purchase of equipment that could have been rented. While such a policy change may sound good, it would result in diminished beneficiary access and higher costs to the Medicare program.

Background:

Power wheelchairs, while currently in the capped rental payment category, have a day-one purchase option. This option allows Medicare beneficiaries to choose to either purchase or rent their power wheelchair at initial issue. When beneficiaries choose to purchase, payment is made on a lump-sum basis. During consideration of the Budget Reconciliation package in October 2005, the Senate debated this provision and soundly rejected it. The proposal was defeated for the following reasons:

- Beneficiaries who are prescribed a power wheelchair suffer from long-term debilitating conditions that are not short-term in nature.
- Many power wheelchairs are custom-configured and individualized for the patient. They are not commodity-type items.
- Forcing rental of highly specialized and configured power wheelchairs will severely curtail access due to the significant up-front costs that the provider must be able to cover soon after delivery.
- Providers do not have the access to capital to wait 13 months to receive full payment.
- Over the past year, power wheelchair providers have seen significantly increased set up, delivery, and documentation costs due to the face-to-face examination and other new coverage policy requirements. At the same time reimbursement was cut 27 percent, on average.
- Medicare beneficiaries currently have the choice to rent or purchase their power wheelchair and more than 95 percent elect the purchase option because those who meet the Medicare coverage criteria have long-term needs.
- Medicare should either maintain the current first month purchase option for power wheelchairs or move them to the "inexpensive or routinely purchased" payment category of DME. The current Medicare requirement for items to be placed in the "inexpensive or routinely purchased" payment category is evidence that the item is purchased at least 75 percent of the time.
- The average Medicare fee schedule payment for a "Group 2 Standard Weight with Captain Seat" (HCPCS code K0823) is \$4,023.70. By eliminating the beneficiary's purchase option and requiring power wheelchairs to be rented over a 13-month period, the total rental payments would be \$4,224.91. **The Medicare program would pay 5 percent more for power wheelchairs under this proposal.**

Recommendation:

AAHomecare recommends that Congress retain the first-month purchase option for power wheelchairs. Maintaining the current policy of allowing the beneficiary to purchase the equipment in the first month will ensure appropriate beneficiary access and lower costs to both Medicare beneficiaries and the Medicare program.

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