What's New in Medicare Reimbursement?

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What's Happened in the Last Year?

- Expansion of Competitive Bidding
- Decreased payments for CRT accessories
- Prior authorization expansion
- Separate benefit category for CRT
- Other

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Competitive Bidding

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Competitive Bidding (CB)

- Positive change thru "Doc Fix" bill 04-16-15
  - Suppliers must prove possession of any applicable state licensure before bid submission
  - Suppliers must obtain a bid bond
  - Supplier will forfeit the bond if they decline a contract and their bid was at/below final bid price

This is a step in the right direction,

BUT…..

Begins no earlier than January 2017

AND…..

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Expansion of CB Continues

- Final Rule 1614-F: ESRD Prospective Payment System, Quality Incentive Program and DMEPOS
  - Expands the CB programs
  - Enacted despite many objections, comments and feedback from many stakeholders
- Establishes new payment amounts in all areas previously not in any CB program
  - Affects products currently in CB programs
  - Previous fee schedules (allowables) replaced with regional single payment amounts (RSPAs)

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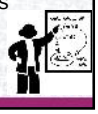
Expansion of Competitive Bidding

- Pricing based on single payments amounts (SPAs) from current CB programs
  - Divided country into 8 distinct regions
    - New England, Mideast, Great Lakes, Plains, Southeast, Southwest, Rocky Mountain, Far West
  - Calculated RSPA using unweighted average of all SPAs from the CB areas within the region
  - RSPA in any area cannot be >10% above or <10% below combined average of all RSPAs
    - Sets a ceiling and a floor
  - Rural areas will be at ceiling RSPA



Expansion of Competitive Bidding

- Products included in expansion:
  - Standard MWCs, PWCs, POVs and walkers
  - Group 2 complex rehab PWCs
  - Hospital beds, commode chairs, pt lifts, seat lifts
  - Bed support surfaces
  - Negative pressure wound therapy pumps
  - Oxygen and oxygen equipment
  - CPAP devices (single and bi-level)
  - Standard nebulizers
  - Enteral nutrients, supplies, and equipment
  - Infusion pumps
  - TENS devices

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Expansion of Competitive Bidding

- Amounts paid to suppliers in non-CB areas are based on bids submitted by CB suppliers

- Phase in of pricing:
  - Jan. 1: 50/50 blend of 2015 fee schedule and RSPAs
  - July 1: RSPAs only
- Drastic cuts throughout the country

HCPCS Code	Region	Fee Schedule	1/1/16 Rate	7/1/16 Rate
O_2 conc	Mideast	$178.23	$134.21 **(-25%)**	$90.18 **(-49%)**
BiPAP	Rocky MT	$241.85	$178.50 **(-26%)**	$115.14 **(-52%)**
Std MWC	Great Lakes	$97.98	$68.78 **(-30%)**	$39.58 **(-60%)**
Std PWC	New England	$568.89	$424.22 **(-25%)**	$279.55 **(-51%)**

What Are We Doing About It?

- HR 4185
  - Protecting Access through Competitive Pricing Transition Act
    - Rep Price (R-GA) and Rep Duckworth (D-IL)
- S 2312
  - DME Access and Stabilization Act
    - Sen Thune (R-SD) and Sen Heitkamp (D-ND)

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H.R. 4185 and S. 2312

CMS Final Rule	HR 4185 and S 2312
• Applies RSPA to non-CB; 10% more in rural areas • Phase in cuts over 6 mos: 1st cut 1/1/16; 2nd cut 7/1/16 • Use RSPAs as bid caps for future rounds of CB	• Applies 30% increase to RSPAs for all non-CB areas • Phase in cuts over 2 years to allow suppliers to adjust and Congress to review • Use unadjusted fee schedule from 2015 for bid cap • CMS must revisit pricing for non-bid areas and account for travel distance, clearing price and other associated costs for prices effective 1-01-19

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H.R. 4185 and S. 2312

- HR 4185 would also implement a Market Pricing Program (MPP) demonstration project
  - Use standard bidding program methodology
  - Require binding bids; weigh historic capacity of bidders
  - Establish payment amounts based on clearing price
  - Monitor by experts; ensure transparency and standards
- Where do we stand?*
  - 81 Representatives signed onto HR 4185
    - 66 Rep, 15 Dem
  - 20 Senators signed onto S 2312
    - 16 Rep, 3 Dem, 1 Ind

*** Current as of Feb 17, 2016**

Competitive Bidding and CRT Accessories

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An Even More Immediate Problem…….

- CRT accessories were included in CB expansion
  - Impacts 171 WC accessory codes
  - Derived pricing from bids for accessories used on standard WCs to establish pricing for accessories used on CRT WCs
  - Using limited data from 7 yrs ago
- CMS has no authority to do this
  - Violates Congress' intent in MIPPA (2008)
    - Exempted CRT PWCs and accessories from CB
  - Contrary to CMS's own policies prior to 1/1/16
    - Accessories used on CRT MWCs and PWCs were paid fee schedule amounts
  - Beyond scope of final rule

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Which Products are Impacted?

- Trays, arm troughs with/without hand support
- Heel loops with/without ankle strap
- Head supports
- Lateral and medial hip and trunk supports
- Anterior trunk and pelvic supports
- Power tilt and/or recline systems, PELRs
- Alternative drive controls
- WC batteries, motors, gear boxes
- All seat cushions and back supports
- ***And many more……..***

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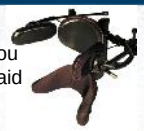
CRT vs Standard Accessories

You thought you were getting paid for this….



But you're really getting paid for this….

vs

vs

vs

What Are We Doing About IT?

- April 2015 House sent bipartisan letter to CMS
  - Signed by 101 Representatives
  - Requested that CMS issue written clarification that accessories used with CRT PWCs and MWCs continue to be paid at fee schedule amounts and not be adjusted based on CB pricing.
- August 2015 Senate sent similar bipartisan letter
  - Signed by 25 Senators.
- CMS formally stated it did not intend to change its policy or follow Congressional recommendation

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What Are We Doing About It?

- HR 3229 and S 2196
  - Legislate technical correction to clarify exemption of CRT WC accessories from CB
  - Prevent CMS from applying CB pricing
  - Unfortunately not included in omnibus spending package at end of 2015 ***but it is still active in 2016***
- Where do we stand?*
  - 91 Representatives signed onto HR 3329
    - 64 Rep, 27 Dem
  - 17 Senators signed onto S 2196
    - 7 Rep, 10 Dem

*** Current as of Feb 17, 2016**

A Small Victory…….PAMPA

- Patient Access and Medicare Protection Act
  - S 2425 - signed 12-28-15, effective 01-01-16
    - Last bill signed in last hour of last session of 2015
  - Mandates 1 year delay of funding cuts for CRT accessories and seat and back cushions
  - GAO to publish report by 06-01 to look at:
    - Accessory codes and their descriptions
    - Total payments and utilization of these codes
    - Comparison of RSPAs to fee schedule payments
    - Includes other PWCs in addition to Group 3

So this is great, right??

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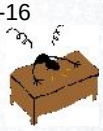
Problems With PAMPA and CMS

- Only includes accessories on Gr 3 PWCs
  - Not those on CRT Gr 2 or MWCs
- CMS has announced they cannot adjust payments back to fee schedule until 07-01-16
  - Before 07-01-16:
    - Claims will be underpaid at RSPA
  - After 07-01-16
    - New claims will be paid correct fee schedule amount
    - Suppliers will be allowed to resubmit all previous claims to receive difference between fee schedule and RSPA
    - Must also resubmit to any secondary funders
  - CMS blames logistics



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Problems With PAMPA and CMS

- Delay in full payment violates intent of PAMPA
- Unfairly burdens providers
  - Compromises ability to provide CRT WCs
  - Will significantly affect access
- Unreasonable to require suppliers to "resubmit" 6 months of claims to get payment adjustments
  - Will also need to re-bill secondary funders
- CMS was aware of PAMPA in Dec
  - Have made other changes in much shorter time
  - Another attack on the industry!!

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Prior Authorization

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DME Prior Authorization Final Rule

- CMS has longstanding perception of questionable billing, payments and utilization of DME
  - Believes PA programs reduce this
- Prior Authorization Demo Project for PMD
  - 2012 – began 3-yr demo in 7 states
  - 2014 - expanded demo to 12 additional states
  - 2015 - expanded demo in all 19 states to 8/31/2018
- Suppliers submit documentation prior to delivery and claims submission
  - No change in documentation and coverage criteria
  - Ensures that all coverage, coding, and documentation requirements are met prior to payment

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DME Prior Authorization Final Rule

- Final Rule Prior Authorization Process for Certain DMEPOS (CMS-6050-F)
  - Published Dec 2015
  - Expansion of PA process to include additional DME
- Proposed master list of 135 items considered high (“unnecessary”) utilization
  - Have average purchase fee of $\geq$ $1,000 or average rental fee schedule of $\geq$ $100
  - Subject of OIG or GAO report published since 2007 or
  - Subject to CERT Medicare Fee-for-Service Improper Payment Report and/or DMEPOS Service Specific Reports since 2011

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DME Prior Authorization Final Rule

- Initial list included the following:
  - CPAP (*E0601*), O_2 concentrator (*E1390*), BiPAP (*E0470*)
  - Bed support surfaces (*E0193*, *E0277*, *E0371 - E0373*)
  - Semi-electric hospital bed (*E0260*)
  - NPWT pump (*E2402*)
  - High strength lightweight MWC (*K0004*)
  - PWCs (*K0813 - K0864*)
- CMS will probably start with short list
- Many items already subjected to pre-pay reviews

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DME Prior Authorization Final Rule

- Decision will be made within 10 days of receipt
- Decision for expedited request will be 2 days
  - Only if health or life-threatening life
  - Must be documented
- Decision for resubmission will be 20 days
- Unlimited number of resubmissions are allowed
- Any claim not submitted for PA will be denied
  - No appeal rights and supplier is liable
- Even with affirmative PA decision, claim could still be denied based on technical requirements

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DME Prior Authorization Final Rule

- CMS has not finalized the following:
  - Exact start date for the PA program
    - Supposedly within 60 days after Final Rule (Feb 29, 2016)
  - Exact list of included items
  - Exact time frames for responses
- Information will be provided in sub-regulatory guideline published in “foreseeable future”

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It’s a Win – Win Program

- Helps ensure documentation is sufficient before delivery and claim submission
- Some assurance of payment for the supplier
- Beneficiaries get information re coverage and any financial liability prior to receipt
- Claims with positive determination will have some protection from future audits
- If documentation is missing with first request, supplier can resubmit
- Suppliers can submit unlimited number of times

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Separate Benefit Category for CRT

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HR 1516 and S 1013

- Separate category for CRT in DMEPOS
  - Separates / creates new CRT codes
  - Eliminates in-home restriction for CRT
  - Increases supplier standards
  - Creates more functional coverage criteria
  - Clarifies exemption of CRT from CB
- Where do we stand?*
  - 157 Representatives signed onto HR 1516
    - 65 Rep, 92 Dem
  - 15 Senators signed onto S 1013
    - 6 Rep, 9 Dem

*** Current as of Feb 17, 2016**

LCD for Wheelchair Seating

- Qualifying diagnoses updated 10-01-15 to accommodate ICD-10 codes
- Skin breakdown codes increased from 3 to 50
  - Include Stages and more specific site descriptions
    - 707.03 pressure ulcer, lower back
    - L89.132 Pressure ulcer of right lower back, Stage 2
- Originally CMS did not include Stage I
  - "It had never been their intent to reimburse for these"
- We fought back and they are now included!
- Are there other diagnoses that are missing??

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We Cannot Stop the Pressure!

- www.protectmymobility.org
- www.access2crt.org
- Use the resources on these sites
  - Familiarize yourself with issues and talking points
  - See if your legislators have signed on
    - HR 4185 and S 2312
    - HR 3229 and S 2196
    - HR 1516 and S 1013
  - Learn how to contact them.
    - If they have not signed on, ask them to do so.
    - If they have signed on, thank them
    - Ask for support when the bills come up for a vote

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Any Questions?

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