


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



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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	Midwest	\$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
<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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



vs



vs




vs



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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

© 2016, ROHO Inc. **So this is great, right??** 

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 ≥ \$1,000 or average rental fee schedule of ≥ \$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), O₂ 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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