



## NCART Response to OIG Report on Power Wheelchairs September 9, 2009

### **“The OIG Report on Power Wheelchairs Leaves Out Much of the Story”**

**“Complex Rehab” Power Wheelchairs Are Different.** The Department of Health and Human Services Office of Inspector General recently released a report entitled “Power Wheelchairs in the Medicare Program: Supplier Acquisition Costs and Services” examining 173,300 Medicare claims for power wheelchairs in 2007. These claims consisted of two very distinct product categories: Standard power wheelchairs (93%) and Complex Rehab power wheelchairs (7%). The two distinct categories involve very different patient groups, disabilities, population sizes, products, and related service and supportive activities. Complex Rehab power wheelchairs are used by individuals with the most significant disabilities and functional needs and comprise only 7% of total power wheelchairs provided. The critical services and the required systems and infrastructure necessary for these Complex Rehab beneficiaries were not fully recognized and must be when examining a category that includes individuals with the most significant disabilities and medical conditions.

**Complex Rehab Is Service Intensive.** Complex Rehab includes a broad range of products and services that are provided to a small group of people with complicated disabilities and significant medical conditions. Diagnoses include spinal cord injury, amyotrophic lateral sclerosis (ALS), cerebral palsy, traumatic brain injury, and muscular dystrophy. The products include highly configurable manual wheelchairs, power wheelchairs, seating and positioning systems, and other adaptive equipment designed to maintain and improve function and minimize the extent and costs of medical care. Providing and servicing a Complex Rehab power wheelchair is a labor intensive process that does not end upon delivery. A significant portion of the services occur prior to or after the delivery of the technology, not at the time of delivery. In addition, properly providing a Complex Rehab power wheelchair is a long term commitment that involves ongoing repair and maintenance, much of which is not adequately funded.

**Complex Rehab Operating Costs Are Significant.** The report suggests that “Medicare and its beneficiaries paid almost two times the average amount paid by suppliers to acquire complex rehabilitation power wheelchair packages during the first half of 2007.” That comment focuses only on one cost category, that being product cost. The service and operating costs (non-product costs) involved with Complex Rehab products are significant and are very different than those for a standard power wheelchair provider. These operating costs are over and above the product cost. A 2008 industry study indicated on average a Complex Rehab company’s non-product costs were nearly equal to the acquisition costs of the products. Product costs were

50% of the claim and the service and operating costs were 45%. These service and operating costs must be recognized.

**Complex Rehab Has Low Profits And Few Providers.** Studies have shown that a typical Complex Rehab company has the lowest profits of any of the home medical equipment segments (averaging less than 5% even before the most recent 9.5% reimbursement cuts enacted in 2009). As a consequence, there are a very limited number of companies that provide these products. Recent trends show companies filing bankruptcy, selling their companies, or abandoning these product offerings as a result of low reimbursement levels, coverage complexity, and intensive service requirements.

**Access To Complex Rehab Products And Services Must Be Protected.** There is a small group of people in our country living with significant disabilities and dealing with physical, functional, and cognitive challenges every day. They and their medical teams use assistive technology and rehab equipment to maintain and improve their function and minimize the extent and costs of their medical care. Funding cuts are taking away access to the Complex Rehab products and services they rely on. NCART will be following up with the OIG and CMS to provide additional information aimed at preserving and improving access to the range of products and related services needed by beneficiaries with complex disabilities and medical conditions.

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The National Coalition for Assistive and Rehab Technology (NCART) promotes policies, regulations, and legislation to ensure individuals with complex disabilities and medical conditions have appropriate access to the necessary assistive equipment and services. For additional information contact Don Clayback, Executive Director, at 716-839-9728 or [dclayback@ncart.us](mailto:dclayback@ncart.us)