



Supporting Quality Health Care Services at Home

July 2, 2009

The Honorable Max Baucus
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Charles Grassley
Ranking Member
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Edward Kennedy
Chairman
Senate Health, Education, Labor and
Pensions Committee
428 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Michael Enzi
Ranking Member
Senate Health, Education, Labor and
Pensions Committee
428 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Baucus, Chairman Kennedy, Ranking Member Grassley and Ranking Member Enzi:

On behalf of the American Association for Homecare (AAHomecare), I am writing to urge you to maintain the first month purchase option for power driven wheelchairs in any health care reform legislation. The Association is very concerned that eliminating the first-month purchase option for power wheelchairs will both severely curtail access to care for Medicare beneficiaries and significantly impact home medical equipment providers' ability to continue to offer medical equipment and services to those beneficiaries in need of power wheelchairs.

AAHomecare is the national trade association representing health care providers and manufacturers, in more than 4,000 locations, that serve the medical needs of Americans who require mobility assistive technologies such as power wheelchairs, oxygen equipment and therapy, medical supplies, inhalation drug therapy, home infusion, and other home medical equipment, services, and supplies. The Association, along with its membership, continues to advance the value and practice of quality health care services in the home.

Based on current Medicare data, the vast majority of Medicare beneficiaries elect the first-month purchase option because they live with long-term debilitating conditions such as paralysis, congestive heart failure, Lou Gehrig's disease (ALS), chronic obstructive pulmonary disease (COPD), muscular dystrophy, multiple sclerosis and other neuromuscular and spinal disorders or spinal cord injuries that require customized equipment to meet their mobility needs. The elimination of the first-month purchase option will diminish access to power wheelchairs for people with a defined medical need. In the current fiscal environment, financial institutions will not extend lines of credit to power wheelchair providers to cover the up-front costs of furnishing costly equipment. If homecare providers do not have access to capital and are unable to secure financing, providers will not be able to provide items and services to these Medicare

beneficiaries. The negative result of providers having restricted access to capital and lines of credit is that Medicare beneficiaries will not have access to the most appropriate product to address their medical needs.

Currently, under the Medicare program, Medicare beneficiaries may elect to purchase a power wheelchair in the first month that it is prescribed or rent the equipment where payment is made over a 13 month period. More than 90% of beneficiaries elect the purchase option because they have a long term debilitating condition that is not short term in nature.

The average Medicare fee schedule payment for a 'Group 2 Standard Weight with Captain Seat' (HCPCS code K0823) is \$3,641.40. By eliminating the beneficiary's purchase option and requiring power wheelchairs to be rented over a 13-month period, the total rental payment would be \$3,823.52. The Medicare program would pay 5 percent more for power wheelchairs by eliminating the first-month purchase option.

Over the past two years, power wheelchair providers have incurred significant increases in set-up, delivery, and documentation costs, due to the face-to-face physician examination requirement and other new coverage policy requirements, in addition to the cost of accreditation and surety bonds. At the same time, reimbursement rates have been reduced by an average of 27 percent in 2007 and an additional 9.5 percent effective January 1, 2009.

We appreciate Congress' efforts to reform and improve the health care system, however, the Association urges Congress to maintain the first-month purchase option since eliminating the option will severely restrict access to care for people with disabilities and others in need of medically necessary items and lead to increased hospitalizations, and therefore increased costs to Medicare.

Please contact me at 703-535-1894 if you have any questions about our position.

Sincerely,

A handwritten signature in black ink, appearing to read "Walter J. Gorski". The signature is fluid and cursive, with the first name "Walter" being the most prominent.

Walter J. Gorski
Vice President of Government Affairs
American Association for Homecare