



April 7, 2021

Sent Electronically

Representative Tina Liebling
Chair, House Health Finance and Policy Committee
477 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Madame Chair and Committee Members:

On behalf of ActivStyle, the largest supplier of incontinence products to Medicaid patients in the state of Minnesota and one of the largest in the country, we wanted to share our concerns with the proposed changes to durable medical equipment reimbursement contained in Article 1, Section 50 of the House Health Finance Omnibus Budget Bill. ActivStyle provides incontinence products and oral enteral supplements to over 7,700 Medicaid beneficiaries in Minnesota. Without the products and services we provide many of these Medicaid beneficiaries would be under nourished and homebound.

The new rate methodology proposed in the bill for products that do not have an established Medicare rate – like incontinence supplies and oral enteral supplements – would result in ActivStyle as well as other suppliers in the state, not being able to provide these supplies to Medicaid beneficiaries. With a few exceptions the acquisition cost of products in these categories are not unreasonably expensive, but the products are very bulky and expensive to ship. Additionally, these items all require a prescription and supporting medical documentation before service can be started and annually thereafter. The supplier must also have contact with the patient on a monthly basis to make sure the product is working as intended and used as prescribed. The supplier's customer service staff is also responsible for managing patient utilization by documenting the quantity of supplies remaining and making sure additional supplies are needed before they are sent. Simply put, the proposed methodology of acquisition cost plus 20% does not even cover delivery/shipping costs, let alone the employee and overhead costs needed to support the other necessary functions for these patients.

Should this new rate methodology be moved forward in Minnesota as it currently stands, there likely will not be a supplier in the state that will be able to provide incontinence supplies and oral enteral supplements to the state's Medicaid population. Our clients include not only disabled individuals, but also individuals that are able to live a normal and active life with the proper products to treat their incontinence. We urge you to think about the potential impacts of this proposal on the vulnerable populations we serve to ensure that the state does not leave the disabled community with nowhere to turn for their incontinence supplies and oral nutritional supplements.

Thanks,

Michael Barish
Senior Vice President of Operations, ActivStyle