National Coalition For Assistive & Rehab Technology

Written Testimony Regarding Health and Human Services
Omnibus Bill DME Article 1 and Changes to Durable Medical Equipment Payments

Planned Changes Will Hurt Access for People with Disabilities
and Increase State Healthcare Costs

NCART is a national non-profit association that provides education and advocacy to ensure individuals with significant disabilities and chronic medical conditions have adequate access to Complex Rehab Technology (CRT) products and supporting services. CRT products, which are currently classified within the category of Durable Medical Equipment (DME), include medically necessary specialized medical equipment such as individually-configured manual and power wheelchairs, custom seating and positioning systems, and other adaptive equipment such as gait trainers and standing devices.

Children and adults with significant disabilities such as cerebral palsy, ALS, spinal cord injury, multiple sclerosis, muscular dystrophy, and traumatic brain injury depend on CRT every day. In researching cost-saving measures and considering potential changes to Medicaid payments and policies, creating negative impacts to the state's most medically fragile beneficiaries must be avoided. Therefore, we appreciate the opportunity to provide the following comments and recommendations:

- **Reductions to reimbursement for CRT puts beneficiaries with complex medical needs at much higher risk and would likely result in increased spending for the state** - Adequate access to CRT plays a key role in allowing individuals with disabilities to remain in their home setting as well as keeping state health care costs down by reducing medical complications, clinical interventions, hospitalizations, institutionalizations, caregiver assistance, and additional in-home services. While it is understandable that the State is looking for opportunities to reduce spending it is probable that the recommended reductions to DME/CRT provider rates would result in unintended increased spending for the state. Without access to timely evaluations, deliveries, fitting, training, adjustments, and repairs, individuals depending on CRT are at especially high risk for needing additional medical treatment and hospitalization. For example, two major health risks are bed sores/pressure ulcers and respiratory complications. Failure to manage these risks and others will result in these individuals requiring hospitalization and, for those with respiratory issues, likely the need for ICU and ventilator utilization.

- **Medicare rates should not be applied to DME HCPCS codes beyond those required by the Cures Act** - Providing CRT comes with significant operating costs and low profit margins. In addition to the new COVID-19 expenses, suppliers must maintain the required credentialed staff, provide delivery and training, preserve supporting systems and facilities, ensure access to emergency service, and secure company accreditations. The CRT evaluation and delivery process are service-intensive and suppliers already do not receive any separate payment to help cover these costs. It should also be noted that Congress and Medicare have formally recognized the higher costs of providing CRT as well as negative repercussions of reducing reimbursement.

Accordingly, they have permanently excluded CRT from the Competitive Bidding Program in order to ensure access for beneficiaries. The majority of CRT HCPCS codes were also excluded from the Cures Act and it is our position that only those codes that were included should be impacted. Minnesota is already paying Medicare rates for the majority of the CURES codes and no substantial savings are anticipated as a result of expanding Medicare rates beyond what Congress intended.

- **Minnesota DHS should continue to use MSRP-based reimbursement for manually priced CRT items** - Changing to a cost-based methodology as proposed in this legislative language will result in unequal payment rates to different suppliers for the same products, increased administrative costs and time for both the state and suppliers due to the nature of these proposals, and significantly compromised access to CRT for the beneficiaries who rely on it for their health, safety, and independence. This includes limiting beneficiary choice and clinically-based recommendations for appropriate, medically necessary equipment. By retaining the MSRP-based reimbursement that is currently being utilized, the Minnesota Medicaid program would safeguard uninterrupted access for beneficiaries by providing equal payment rates to all suppliers and allowing both smaller rural suppliers and larger national suppliers to offer a similar inventory for individuals utilizing CRT and the clinicians who are working with them. It should also be noted that there are a limited number of companies that currently provide CRT and that number is decreasing. If further reductions are applied to CRT payment rates, those remaining suppliers will be forced to decide which critical products, services, and geographic areas to discontinue and in some cases, whether they can remain in business at all.

We strongly urge the Minnesota Ways and Means Committee to adopt the above recommendations to avoid DME or CRT budget and policy actions that will increase state healthcare costs and negatively impact critical access for the children and adults who depend on this important equipment.

We have a sincere desire to collaborate with the state to produce positive outcomes for both the Medicaid program and enrolled beneficiaries with complex medical needs. We are happy to provide additional information and would be available to discuss our comments further. Thank you again for the opportunity to present these concerns.

Sincerely,

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