4/14/2021

Via email: Chris.McCall@house.mn

Opposition to HF2128 Changes to Durable Medical Equipment Payments

To Whom It May Concern,

I am writing in reference to HF2128, Article 1, Sec. 50 on changes to payment rates for durable medical equipment (DME). National Seating & Mobility (NSM) is a national provider of customized mobility and complex rehab technology (CRT) services and home access. We have been in business for 25 years and has over 170 locations in North America, including several locations serving Minnesota. NSM serves pediatrics, teens, adults, and seniors with diagnoses such as cerebral palsy, muscular dystrophy, Lou Gehrig's disease (ALS), multiple sclerosis, spina bifida, severe trauma, disease, and skeletal disorders.

Although classified as DME, we specialize in providing CRT services. Our focus is on:

- Customized wheeled mobility – power and manual
- Customized seating & positioning systems for wheeled mobility
- Gait trainers
- Standing frames
- Specialty bath equipment

We are aware of the cost-saving measures and potential changes to Medicaid payments and policies contained in HF2128. The proposed rate changes will dramatically decrease our ability to continue providing the medically necessary products and services we provide to Minnesota Medicaid beneficiaries and will negatively impact the independence and possibly health of the state's most medically fragile indivdiuals.

To protect continued access to care for Minnesota Medicaid beneficiaries who use CRT we urge you to consider the following regarding the proposed changes:

- **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 Legislature to communicate with stakeholders such as NSM and others to avoid DME or CRT budget and policy actions that will 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. We appreciate your time in reviewing our comments.

Sincerely,

Alexis Ward

Alexis Ward
Vice President, Payer Relations Central Region
(615) 595-1115, ext. 0390
Alexis.Ward@nsm-seating.com