

**DME ADVISORY COMMITTEE MEETING
MINUTES**

July 13, 2010

ATTENDEES:

Members Present

Roni Burns-Cox Health and MAMES
Justin Decker – Alliance Rehab & Medical Equipment
Mike Henry-Option Care
David Hosman-American Home Patient, Inc.
Patrick Naeger-HealthCare Equipment and Supply Company
Gary Schermerhorn-Bender's Prescription Shop
Michael Seidel-United Seating and Mobility
Karen Atkins – Mobility First and MAMES

Members Absent

Lynn Kelley – Home Parenteral Services

Consultants Present

Matt Chegwiddden – Hogan Consulting
Dr. Tim Hogan

MHD Agency Staff Present

Dawn Cain (Phone)
Mary Heet
Glenda Kremer
George Oestreich
Pam Wheeler
Cindy Wininger-Watson (Phone)
Jayne Zemmer

Visitors Present

Leslie A. Anderson - STL
Greg Clark – Alliance Rehab
Chris Dace – LTC Providers
Melissa Georgeoff - USM
Jeff Lock – LTC Providers
Scott Lopez – USM
Mike Osborn – Alliance Rehab
Kendall Richards – LTC Providers
Durwood Tenny – HC Mobility

Welcome/Introductions/Announcements

Dave Hosman, American Home Patient, Inc, DAC member, called the meeting to order. All were welcomed and asked to introduce themselves. Roni Burns, Cox Health and MAMES, announced that this would be his last meeting and introduced Karen Atkins, Mobility First and new MAMES representative.

MHD Update:

Clinical Services:

Program Savings/Reduction:

George Oestreich, PharmD, Deputy Division Director, MHD, opened with an overview of the budget for this year and the effect on next year. This is an issue of state wide concern and others, along with the Durable Medical Equipment (DME) providers, are feeling the constraints.

With the budget scenario, Dr. Oestreich introduced the proposed suggestion that Pat Naeger, HealthCare Equipment and Supply Company, and a subcommittee Mr. Naeger composed of Dave Hosman, Mike Williams, Melissa Fischer, Karen Atkins, and Diane Abbott drafted to achieve a DME savings as requested by the legislature. The committee's goal was to come up with a proposal of a workable plan for DME providers that will save 5 million dollars in the state budget.

Discussion on the proposal proceeded, especially regarding wheelchairs, with the cuts being consistent for all wheelchairs, unilateral and across the board so that all are affected. Discussion focused on Group 3 wheelchairs otherwise known as Complex Rehab chairs. Ms. Kremer requested a definition on what is considered Complex Rehab.

DME Advisory committee member, Mr. Burns, requested that Don Clay, NCART, give an explanation and definition of Complex Rehab and assistive technology along with his concerns on the upcoming budget cuts. Don Clay offered the definition for Glenda Kremer, MHD, as Complex Rehab Chairs are power wheelchairs in Group 3 and above and related accessories, manual wheelchairs coded as K0005 and specialized chairs like the E1161 tilt and space wheelchair, as well as other specialized groups of products such as standers, etc. that require individual fit and evaluation as well as follow-up once provided. An accredited professional is required to assist in providing the assessment and fit for this complex rehab. In October 2009 Medicare defined some Group 2 single power and multi power wheelchairs within the definition of complex rehab. Matt Chegwidan, DME consultant, with Hogan Consulting, stated that due to skilled nursing facilities, the state does see much more of a use of this section of wheelchairs than in the general market.

Mr. Clay was hoping that a focus cut would be considered. Different segments of the industry have different profit margins. A review may show where there are some segments that can afford the amount of cuts required.

Dr. Oestreich did ask about the accessories in complex rehab, are the margins typical to that of the margin on other chair accessories. Mr. Clay stated that base and accessories is really all one unit and to break it out would be difficult as the accessories are a large part of the complex chair as a whole. Dr. Oestreich asked for the number of complex rehab providers in the state. It was suggested there are approximately 6 to 8 providers of complex rehab equipment in the State. Dr. Oestreich asked if we recognized the relative cost difference in accessories for different chairs, could we still use the unilateral cuts across the board and having a different base cut on the accessories depending on the chair.

Dr. Oestreich asked if the DME committee was in support of treating the complex mobility issue separate in this budget situation. Is the complex business provider different from other DME providers and, therefore, be allowed a different percentage of cut. Several of the members felt that that one provider should not be given more advantage than another. After much discussion it was determined that Complex Rehab should not be treated differently.

The DME committee tasked with the reduction recommended a unilateral cut of 93% of the 2010 Medicare fee schedule and an oxygen payment restructure to achieve the 5 million dollars savings that is needed. The following summarizes the recommendations:

- Oxygen change - \$2 million
- Nursing Home wheel chair reduction (in addition to the April cuts) - \$1.3 million
- Reduction to 93% of Medicare - \$1.2 million
- Rent to purchase on Hospital Beds - \$250,000
- Rent to purchase on other items - \$80,000
- Eliminate back up chairs to manual wheel chairs - \$50,000
- Reduction in safety equipment - \$50,000

There was discussion and disagreement with the reduction to 93% of the Medicare fee schedule. Dr. Oestreich asked if the committee could come to an agreement with a unilateral reduction to 96.5% of the Medicare fee schedule. Mr. Naeger reminded the committee that when this information was brought out by the Governor the amount was 80% of Medicare. Mr. Naeger then gave the committee a brief discussion of background as to how the sub-committee came about with the above mentioned cuts; the reduction summary report was passed out to the committee members. Dr. McCaslin had asked the committee to come up with a plan that was consistent and easy to understand.

Mr. Naeger asked Dr. Oestreich what he needed from the committee. Dr. Oestreich stated that he need a \$5 million savings from DME that needs to be consistent, needs the work without access issues, and a proposal that all on the committee can agree upon. With the list for the \$5 million savings, Mr. Naeger asked the committee if the reduction of the 93% of Medicare was the major concern; the committee agreed.

The committee continued the discussion of the 93% of Medicare reduction. Many different options were considered by the committee. After much discussion, Justin Decker, Alliance Rehab & Medical Equipment, made the motion of accepting the sub-committee's recommendation: with a 96.5% of Medicare as a new ceiling and to give consideration to the April nursing home reduction of 2010 as an off-set. Mr. Hosman seconded the motion; the motion passed.

Mr. Naeger asked that in the fall meeting, the committee consider future steps to assist in issues similar to these regard lobbyist and a voice with the legislators as to the DME Providers' concerns and positions.

Lunch Break:

Mr. Naeger called the meeting to order after the lunch break and entertained a motion to approve the meeting minutes of February 26, 2010. Mr. Hosman made the motion, Gary Schermerhorn, Bender's Prescription Shop, seconded the motion; motion passed.

Nursing Home Wheelchair Policy:

Mr. Decker expressed that he has received concerns from fellow providers regarding nursing homes and the interpretation of guidelines and policy. Mr. Chegwiddden stated that the intent is for the patient to first be evaluated by the physician and the wheelchair recommendation to come from the physician and then to the DME provider.

Ms. Atkins asked for clarification of the face-to-face evaluation with the physician and the physical therapist (PT) requirements. Ms. Kremer stated that the face-to-face evaluation must be performed by the physician. The PT may add their information to the face-to-face physician evaluation. The PT evaluation must have been within the last 90 days.

Michael Seidel, United Seating and Mobility, has concern that there is a face-to-face and a prior authorization requirement; he would like to see one of the two be eliminated. Ms. Atkins, Mr. Seidel, and Mr. Decker will pull together some information and suggested wording to send to Ms. Kremer for her consideration, as well as the consultants, for clarification in a future bulletin.

Physician Assistants signing off for the physicians is a concern and an issue that needs to be watched in the future.

Enteral Nutrition:

Ms. Kremer is developing pre-certification criteria for enteral nutrition for kids. There are two criteria documents: one is supplies and one for formula.

Ms. Kremer had questions about the USDA Food and Nutrition Program for Woman, Infants and Children (WIC) program, how it works and is it difficult? Mr. Hosman stated that participants receive the formulas from WIC and the supplies from DME; however, WIC does not always carry and provide the more specialized formulas.

Mr. Decker asked if picked up or is delivery is required of DME providers. Ms. Kremer stated that the policy is if you provide free delivery for your non-Medicaid patients, then you must provide free delivery for your Medicaid patients.

Ms. Kremer would like comments on the enteral nutrition formulas pre-certification criteria draft from the committee members. Comments should be to Ms. Kremer by the end of the week please.

Ms. Kremer also had a pre-certification criteria draft proposal on Tracheostomy Care that she would like comments back on in the next week.

CMN vs. Cyber:

Mr. Hosman has question from his compliance officer regarding the concerns with CyberAccess and the requirements noted in the provider manuals, updates need to be done. Ms. Kremer confirmed that published bulletins supersede the information in the provider manual. Updates to the DME Provider Manual are in process.

Open Discussion/New Business:

Mr. Seidel requested an open discussion regarding concerns with complaints to the Attorney General regarding Medicaid. The Attorney General has investigators to review and they are declaring the situations are Medicaid fraud. Example, home deliveries were a courtesy but now with reimbursement cuts, delivery sometimes also will have to be cut. Jayne Zemmer, MHD, responded that this information will be taken back to MHD's Administration and stressing that with all the cuts taking place, perhaps education of policy is a necessity for the Attorney General as well as our own Provider Integrity Division.

David Hosman, American Home Patient, Inc. asked why large size diapers did not show on Cyber and was concerned they were not there. Ms. Heet stated that they are on the CyberAccess process and due to the answering of the questions (error or incorrect), the physician did not receive that option. Ms. Heet would be glad to check for Mr. Hosman on the particular case.

Mr. Hosman also expressed a concern regarding the patient signature request on CyberAccess. Ms. Kremer will look into the signature issue.

Ms. Atkins described a situation in which the tilt feature on a wheelchair was being considered a restraint by a state auditor. The recommendation from the committee is that the provider needs to fight the complaint through Department of Health and Senior Services, as that is where the nursing home auditor was from.

A question was asked regarding Physician Assistants (PA) and their ability to bill Medicaid. The PA can bill for Medicaid under the supervision of a physician; who must be at the least in the building with the PA.

Ms. Kremer asked the committee how Medicare reimburses loaners or rental chairs. Medicare at this time will provide for a one month rental as a back-up for repair. If Medicaid would follow this lead, it would be a flat rate under one code, K0834.

Mr. Decker expressed a concern on the approval of crib beds under Medicaid for safety issue. At this time if it is not required for a medical need, the bed request is denied. He feels there are times when the bed should be approved for the safety of the patient. Ms. Kremer advised current state regulation prohibits the coverage of items for safety reasons.

Mr. Naeger noted that Mr. Burns would be leaving the committee. Mr. Burns' position on the committee is designated to the individual who is the State MAMES Chair. Mr. Naeger thanked Mr. Burns for his years of service and the

contributions to the DME Program. Mr. Burns stated that he would keep in touch and to please call if he can assist the committee. Mr. Naeger also welcomed Karen Atkins and expressed that the committee looks forward to her comments and contributions. Mr. Naeger also wished Cindy Wining-Watson, MHD, a quick recovery, as she was joining by phone, and hoped that she will be able to join us on the next meeting.

The meeting adjourned at approximately 2:35 p.m. The next meeting of the Durable Medical Equipment Sub-Committee will be held on October 5, 2010 at 10:30 am.