



What is the Problem?

In the first round of the competitive bidding program, Medicare established some very broad product categories for competitive bidding including products (HCPCS codes) that:

- Do not represent a distinguishable, homogenous group of items.
- Will diminish beneficiary access to the specific goods and services they need.
- Will not produce any significant savings to the Medicare program and may actually increase costs to the program and to beneficiaries.

What is Needed?

Prior to restarting durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) competitive bidding CMS needs to review and revise the list of products (HCPCS codes) that it intends to bid and exclude those items that satisfy one or more of the conditions described above. One such group of items that should be excluded from the re-bid of round 1 is specialized wheelchair seat cushions.

CMS' Position

CMS' position is that they do not have the authority to modify the HCPCS codes to be included in re-bid of round one of DMEPOS competitive bidding, to occur later this year. Their contention is that the Medicare Improvement for Patients and Providers Act of 2008 (MIPPA) requires them to rebid all of the HCPCS codes that were included in the original round one bidding unless specifically excluded by MIPPA.

Further, CMS contends that competitive bidding will reduce Medicare and beneficiary expenditures for such items while insuring quality and access to the goods and services that a beneficiary needs.

??? Authority – Savings – Distinctiveness - Quality – Access – Complexity ???

Our Position Regarding Specialized Wheelchair Seat Cushions

Wound Care Statistics and Expenditures:

- There are over 2 million new incidence of pressure ulcers in the U.S. annually.
- 65-70% of all wounds occur in individuals sixty-five years of age or older.
- 13% of ulcers result in death.
- In 2007 the wound-care products' cost to the U.S. healthcare system exceeded \$7 billion.
- The cost to heal a single wound ranges from \$5,000 to over \$40,000.
- A primary use of wheelchair seat cushions is to prevent and treat pressure ulcers/wounds.

Specialized wheelchair seat cushions and competitive bidding:

- **Authority:** CMS does have the authority to review and revise the HCPCS codes to be included in the rebid or round one of DMEPOS Competitive Bidding.
- **Savings:** In 2008 Medicare allowed \$5.565 million in charges for specialized, adjustable seat cushions (K0734-K0737), approximately 0.05% of total Medicare allowed for DMEPOS. The bidding of these items will ultimately increase the incidence of wounds and overall expenditures for the Medicare program and for beneficiaries.
- **Distinctiveness:** There are far too many products, consisting of a variety of shapes, sizes, materials, technologies and clinical applications, within each HCPCS code to effectively bid these items.
- **Quality and Access:**
 - Bidding under-defined HCPCS codes will encourage providers to limit beneficiary's choices to those items within a HCPCS code that cost the provider the least to obtain, without regard for what product really addressed the unique needs of the individual.
 - Bidding rules will prohibit specialty wound care providers from even bidding thus denying beneficiary access to those providers which may be the most capable of addressing their needs.
- **Complexity:** Bidding these HCPCS codes will result in four fee schedules and three sets / subsets of providers within each competitive bid area for a group of items that represents 0.04% of Medicare's DMEPOS expenditures. In contrast, oxygen, hospital beds and power wheelchairs will have one fee schedule and one set of providers.