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... the National AT Reuse Center

Medicaid: A Look at Reuse in Current Programs

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Learning Objectives

1. To become familiar with some successful models of DME reuse in Medicaid programs
2. To identify some of the societal issues involved when device reuse is included in government-sponsored healthcare programs
3. To understand how reusing DME helps contain Medicaid costs and meets the needs of people with disabilities and the aging population
4. To become familiar with the general process and key issues in developing a partnership with Medicaid

FYI

Durable Medical Equipment

Federal Medicaid regulations cover DME under "Home health services…medical supplies and equipment, and appliances suitable for use in the home…."

State definitions vary,* but most specify:

- Able to withstand repeated use
- Serves medical purpose
- Not useful in absence of illness or injury
- Appropriate for home use

****Check your state's definition.***

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What is Medicaid?

- State-administered (with some matching federal funding) health insurance program
- Third largest source of health insurance after employer-based insurance and Medicare
- Eligibility:
  - Low-income families with children
  - People with disabilities
- Also provides:
  - Long-term care for the elderly and people with disabilities
  - Supplemental coverage for low-income Medicare beneficiaries

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Do you want a partnership with Medicaid?

Checking inventory at the Kansas Equipment Exchange

Medicaid programs are showing increasing interest in the reuse of durable medical equipment (DME).

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Speakers Today

- Sara Sack
  Assistive Technology for Kansans

- Linda Jaco
  Oklahoma ABLE Tech

- Nicole Bartel
  South Dakota Dept. of Social Services

COLLABORATING WITH MEDICAID PROGRAMS

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Factors driving increased interest in reuse from Medicaid programs

- Unemployment levels and weak economy add to the number of uninsured and makes increasing numbers eligible for Medicaid.
- Implementation of the Affordable Care Act will change eligibility and add huge numbers of uninsured adults under 65 to Medicaid.
- DME will be a major cost. A manufacturer study found that 28% of wheeled mobility equipment and seating was paid by Medicaid.

AT reuse benefits

- We know that access to DME:
  - Improves health and safety
  - Minimizes doctor visits and returns to hospitals
  - Reduces or delays assisted living and nursing home placements
  - Enables some people to return to work
  - May enable caregivers to continue working

Medicaid and Reuse Programs

- At least 20 states have considered DME reuse as part of the Medicaid program.
- Have consulted with 18 states about Medicaid and reuse in the past five years.
- Status today (as we know it):
  - Programs with *some* Medicaid component: KS, DE, OK, ID, VA, IN
  - Just starting: SD, GA, IA
  - Investigating: CO, MN, OH, AK, NE, CT, ND, NJ, VT, WA, CA

Different Models for Involvement

- Medicaid pays for inventory tracking of all donated DME and the refurbishing of Medicaid-purchased devices that come into the reuse program. (Kansas)
- Medicaid-purchased equipment is stickered for return to a reuse program when no longer needed. (Vermont and Virginia)

Different Models for Involvement, cont.'

- Some Centers for Independent Living provide Medicaid-billable services (e.g., equipment repairs). (Idaho, Paraquad)

- Proposed Georgia model will provide lightly-used, low-value DME (e.g., manual wheelchairs) to five hospitals in state with most Medicaid patients to free additional Medicaid funds for complex rehabilitation.

Concerns for Reuse Programs

1. Retention of consumer choice.

Reused equipment should not be the first and only option for consumers.

Concerns for reuse programs, cont.'

2. Safe and appropriate reuse

- Matching patient to the needed device, not "*a* device"
- Focus on reuse as an interim solution when delays occur, as a secondary device, or as a transition device

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Concerns for reuse programs, cont.'

3. Maintaining a positive or at least neutral impact on the DME industry and providers
   - Maintain healthy partnerships with vendors
   - Avoid reducing the supply of equipment available for reuse

Challenges for Partnerships

- Administrative issues
  - Legal/compliance issues
  - Accreditation requirement?
  - Workplace safety
  - Sanitization and consumer safety
  - Equipment tracking for recalls and alerts
  - Transfer of ownership implications
  - Warranty requirement?

Challenges for Partnerships, cont.'

- **Financial**
  - **How the program is funded**
  - **Identifying which items or categories represent the most significant return on investment (ROI) for Medicaid**
  - **Fraud prevention**
  - **Reimbursement models**

Challenges for Partnerships, cont.'

- **Program Operations**
  - Agreements, roles, responsibilities
  - Prescriptions required for some devices: compliance
  - HIPAA: staff training and compliance
  - Priority holds, wait-listing
  - Repairs: Who does them? Revenue opportunity or a resource issue?

Challenges for Partnerships, cont.’

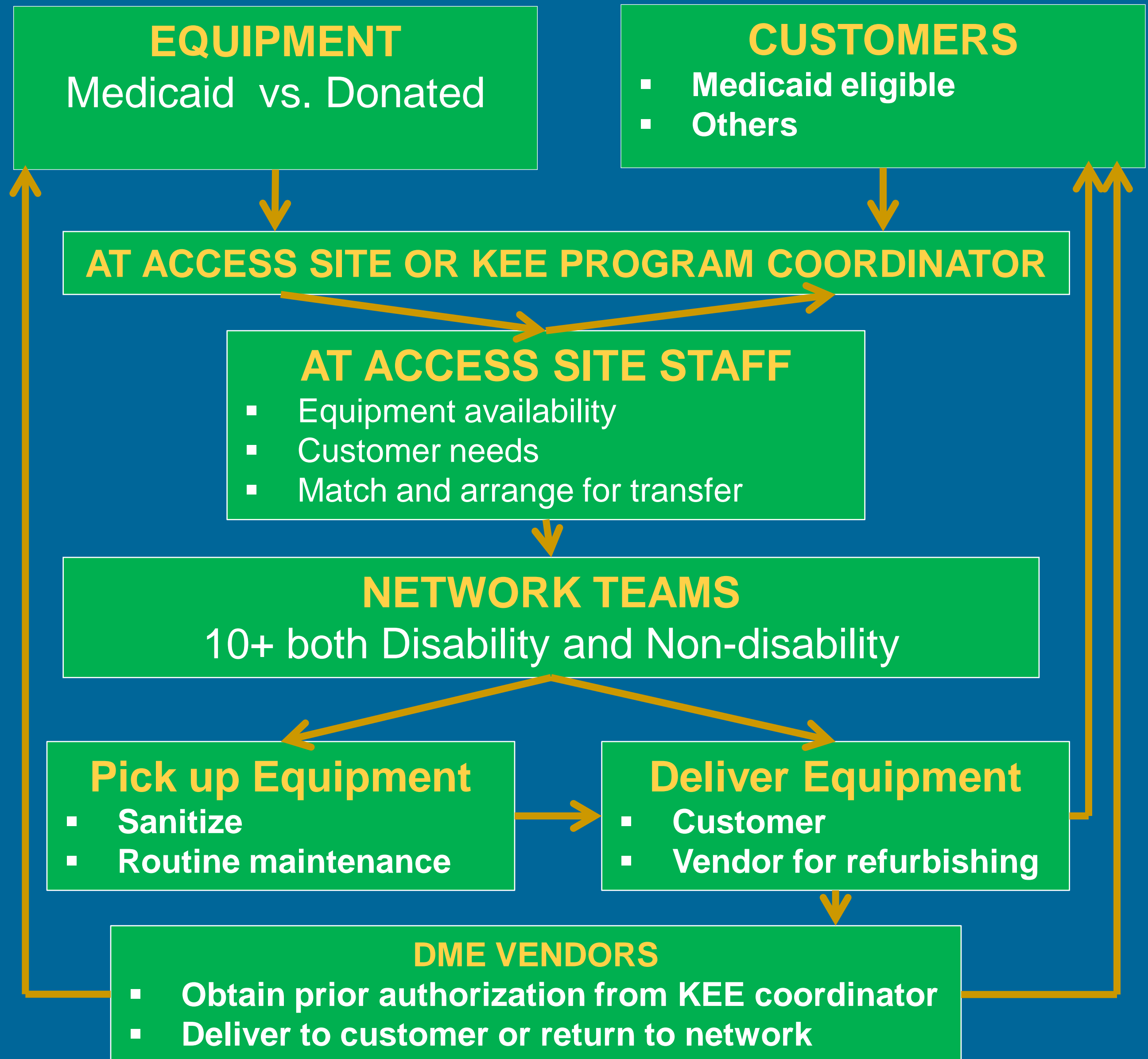
- User Services
  - Matching to appropriate (or prescribed) device
  - Compliance with state laws that require set-up of some devices by professionals with specific credentials
  - Follow-up
  - Outcomes measurement

How does the Kansas model work?

- Collaboration among:
  - Kansas Medicaid
  - Durable medical equipment providers
  - Assistive Technology for Kansans
  - Consumers
- This collaboration is specified in contractual agreement.

Kansas Model

Partnership with Medicaid began in 2003



Kansas Organizing Factors

Track, recover, refurbish and reassign DME

- Focus on high cost, lightly used devices
- Exceptions for unmet device requests
- Non-DME AT is accepted and refurbished with funds from other sources

Focus on appropriateness and safety

- Refurbishing by trained professionals (through DME vendors)
- Measures to ensure appropriate devices

Kansas accepts:

- Augmentative Communication Devices
- Bath benches
- Bi-PAPs
- C-PAPs
- Canes
- Commodes
- Crutches
- Feeder seats
- Feeding pumps
- Gait trainers
- Health devices
- Hospital beds
- Nebulizers
- Patient lifts
- Quad canes
- Scooters
- Shower chairs
- Wheelchairs – manual
- Wheelchairs – power
- Other items

How Kansas gets its inventory

Reclaiming Medicaid-purchased devices

- Medicaid-purchased devices are stickered with requests to return when no longer needed.
- Device users are tracked.
- Follow-up calls

In FY 2011, 72% came from general donations

- Active efforts to increase awareness of need and encourage donations:
  - Presentations
  - Public service announcements
  - Subcontractors
  - Network teams

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KS: Equipment reuse services provided

- Track new inventory purchased by Medicaid
- Collect follow-up data regarding acquisition of new devices
- Collect consumer satisfaction data
- Track and notify consumer of recalls
- Recover unused equipment for program
- Reassign used equipment to customers
- Provide equipment for short-term use
- Provide tax donation documentation for equipment and cash donations

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KS: Equipment reuse services provided, cont.'

- Provide increased coverage to clients (better service)
- Provide service to individuals who would not be covered otherwise
- Cover the uninsured and under-insured

Kansas: FY 2011 Volumes and Values

- Requests for equipment: 1,158
- Devices donated: 777 devices valued at $1,126,051
- Reassignments: 701 devices valued at $949,206

- Return on investment:
  - Program cost: $271,487
  - Medicaid purchased equipment recovered: $436,351
  - Private/public purchased equipment recovered: $689,700

Program ROI: $3.15

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Eligibility in Kansas:

1. Medicaid beneficiaries
2. Medicaid eligibles
3. Those likely to become eligible for Medicaid, those eligible for limited medical coverage by virtue of limited income and assets, their disability as determined by state Medicaid and their pending application for disability through the Social Security Act.

Tips and Lessons from Kansas

- Safeguards from liability:
  - Safe pick-up and delivery practices
  - Professional consult requirement for specific devices
  - Training on equipment matching
  - Instruction on use of devices
  - Policy and procedures manuals and staff training to ensure fidelity
  - Inventory linked to customer records to facilitate notification if FDA recall or warning is issued

Questions for Sara?

Group Discussion opportunity after other speakers

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Partnership with Medicaid

Oklahoma Health Care Authority (Medicaid agency) was legislatively mandated to develop and implement a retrieval DME program.

ABLE Tech responded to Request for Proposal (RFP) and was awarded contract.

Oklahoma Durable Medical Equipment Reuse Program (OKDMERP) was funded Dec. 2011.

Oklahoma Reuse Model – 4 Rs

Medicaid pays for inventory tracking of all *Retrieved* DME from SoonerCare members and donated DME from Oklahoma citizens-at-large.

Equipment is sanitized and *Refurbished*, returning DME to peak performance.

If needed, DME is *Repaired* by Medicaid contracted vendors.

Oklahoma Reuse Model, cont.'

DME is appropriately matched and *Reassigned* to eligible Oklahomans and delivered free of charge.

- Priority given to SoonerCare members during the first 60-day period.

- Any Oklahoma resident is eligible with a completed application on day 61.

Oklahoma Reuse Model

Currently, program is funded to provide pick-up and delivery of DME within a 50-mile radius of Oklahoma City.

Any Oklahoma citizen wishing to donate is encouraged to participate but asked to provide transportation for the delivery or pick up of DME.

Exceptions exist for DME items easy to mail, such as CPAPs.

Oklahoma: DME Offered

- CPAPs
- AAC Devices
- Gait Trainers
- Nebulizers
- Quad Canes
- Shower Chairs
- Walkers
- Bath Benches
- Commodes
- Patient Lifts
- Scooters
- Standers
- Hospital Beds
  - Electric & Semi-Electric
- Wheelchairs
  - Power & Manual

Oklahoma: DME Inventory

Equipment accepted from:

- **Sooner Care members**
- **Privately insured Oklahomans**
- **Vendor donations**
- **Agency equipment drives**

OKDMERP Services

- Appropriately match and reassign used DME to eligible Oklahomans
- Provide equipment for short-term use
- Provide tax donation documentation for DME
- Provide increased coverage to customers, i.e., SoonerCare member acquires DME more quickly
- Provide service to Oklahomans who would not be covered otherwise

OKDMERP Services

- Cover *insured*, uninsured and underinsured Oklahomans, *i.e., instances where co-pay or deductible is too costly for an individual*
- Provide training and technical assistance on reassigned DME
- Establish networking relationship with DME vendors
- Provide appropriate information and referral on other needed Oklahoma resources

Oklahoma: DME Expectations in Year One

First Four Months of Service – April through July 2012

- 74 devices reassigned to 56 individuals for a cost savings of $31,692
- 54 individuals highly satisfied; 1 satisfied; 0 somewhat satisfied; 1 not at all satisfied

Tips/Lessons Learned: Oklahoma

- Increased support from DME vendors with repair and distribution of DME as individuals purchase needed DME supplies from participating vendors, e.g., CPAP tubing and masks, mattresses, lift seating, commode pails, nebulizer tubing

- Program cannot function on an emergency basis

- Flexibility with donated items and working with other statewide resources helps to ensure a supportive network for sustainability over time

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Questions for Linda?

Group Discussion opportunity after next speaker

DSS
Strong Families – South Dakota's Foundation and Our Future
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SOUTH DAKOTA

Recommendation to start a reuse program for SD Medicaid

- Originated with Medicaid Solutions Workgroup, November 2011
- One of 11 recommendations to contain costs. (Others included dental coverage limits, implementing Health Home initiative, etc.)

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Getting Started

- Workgroup initiation: Identified key stakeholders and elicited Workgroup member participation
  - Pass It On Center
  - DME providers
  - Dept. of Human Services
  - Independent Living Agency
  - Adult Services and Aging
  - Community providers
  - SD Health Care Association
  - Coalition for Citizens with Disability
  - Dakotabilities

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Workgroup Plan

- Three meetings
- Establish plan/RFP to increase access to quality equipment
- Gauge buy-in and participation: neutral effect on providers and cost savings
- Get expertise on a sustainable process
- Input on Indicators of Quality

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Workgroup Discussions

- Provider and recipient participation
- Standards
- Liability and Accountability
- Process and Priority
- Current Medicaid coverage
- Ownership issues
- Comparison of other States
- Questions

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Workgroup Conclusions

- Blended – used Oklahoma's RFP as a guide
- DME providers to assess and assign equipment
- Budget ceiling vs. goals and expectations based on Medicaid spending
- Outreach/Marketing – rely on organizations as much as possible
- Hold for Medicaid priority 90 days, then open to all
- DME list – similar to Kansas
- Provider participation required; recipient participation optional
- Medicare standards

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SD - Services planned:

- Track new Medicaid-purchased devices
- Collect follow-up data regarding acquisition of new devices
- Collect consumer satisfaction data
- Recover unused equipment for program
- Reassign used equipment to customers
  - (DME providers will do this.)
- Provide equipment for short-term use
- Provide increased coverage (better service) to clients
- Provide service to individuals not otherwise covered, the uninsured and under-insured

SOUTH DAKOTA RFP Draft

FYI

Indicators of Quality for AT Reuse

Online Program Assessment Tool facilitates comparison to factors for consideration and generates a report referencing information for all indicators not fully met. *See and use this free tool at*

www.passitoncenter.org/IQATReuse

- Key elements from workgroup
- Indicator of Quality tool
- Equipment list
- Scope of work
- Specific questions for each expectation to get a detailed response

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Budget Issues

FYI

Federal Medical Assistance Percentage (FMAP)

For every dollar a state spends on Medicaid, the federal government matches at a rate that varies from 50 to 83%, inversely related to the state's per capita income

- Amount spent in 2011
- How to contain spending
- Medicaid Match (FMAP)
- DME to bill for services vs. new equipment
- Submit repair claims to Medicaid vs. invoice to contractor?

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Process Concept

- Acquisition
- Refurbishing the equipment
- Transportation
- Database
- Medicaid involvement:
  - Reviews
  - Prior Authorizations
  - Reporting
- Non-Medicaid Population

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Next Steps

FYI

Billing DME or DME repair services requires use of the Healthcare Common Procedure Coding System (HCPCS) commonly called "hickpicks" codes. It includes codes for products, supplies and services not included in the Common Procedural Terminology (CPT) codes used for medical, surgical and diagnostic services.

- Release RFP
- Evaluate proposals
- Award contract to facilitate the program
- Monitor progress
- Adjust as needed (i.e., expand DME, Medicaid billing)

SD: What we will accept

- Augmentative Communication Devices
- Bath benches
- CPAPs and BiPAPs
- Canes and quad canes
- Crutches
- Commodes
- Feeder seats
- Feeding pumps
- Gait trainers
- Health devices
- Hospital beds
- Nebulizers
- Patient lifts
- Shower chairs
- Wheelchairs – manual
- Wheelchairs – power
- Other items…….

SD: Tips and Lessons Learned

- Workgroup: Involvement of key stakeholders is crucial for feedback and professional expertise in all areas that pertain to this program.
- Technical assistance: Collaboration with Pass It On Center was essential for ideas and lessons learned from other programs.

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DISCUSSION TIME!

Questions for the speakers?

- Use microphone to speak, or
- Type questions or comments into the Chat area for display

See sample documents from these Medicaid-Reuse programs. Download from the Pass It On Center Knowledge Base at www.passitoncenter.org/content/

Pass It On Center Technical Assistance

- **How-to Develop Partnerships between AT Reuse Programs and Medicaid**

A roadmap to assist reuse program leaders and Medicaid administrators in examining successful models, providing guidance in exploring the issues and outlining the process of expanding reuse in partnership with Medicaid

Release date: Sept. 2012

Evaluate us, please

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