



National Coalition For Assistive & Rehab Technology

CAMPS NCART Presentation **June 8, 2023**

State of the Complex Rehab Industry & Moving Forward in 2023
Fighting to protect the CRT Industry



National Coalition For Assistive & Rehab Technology

CAMPS is the state association representing DME, medical supply, and enteral formula providers.

Established in 1981, CAMPS engages in advocacy with the California Legislature and key state agencies such as the Department of Health Care Services and Department of Public Health.

CAMPS Membership and resources can be found at
www.campsonline.org

Session Objectives

- Discuss rehab industry business issues.
- Discuss NCART initiatives to create more business opportunities for rehab providers.
- Explain industry threats and how NCART is leading the fight to eliminate those threats.
- Name the tools NCART has created to help them get involved to protect their companies and patients.



Agenda

- State of the Industry- Business Perspective
- State of the Industry- Legislative Perspective
 - Right to Repair
 - Federal vs. State
 - California Bill and Issues
 - Warranty Bill
- Solutions for Service & Repair Reform
- Seat Elevation & Power Standing update
- NCART- fighting to protect the industry
 - The industry approach
- NCART Focus 2023
 - Increased Reimbursement
 - Successful coverage, coding, and pricing for seat elevation and power standing systems.
 - Service and Repair Reform



State of the Industry- Business Perspective

Time to get paid for the services you provide

Complex Rehab Services

- Administrative
- Travel Time
- Equipment Assessment
- Building the Chair
- Delivery & Adjustments
- Repair Diagnosis/Evaluation
- Billing

Revenue Generated

- None
- None
- None
- None
- None
- None
- None

Name another industry that provides all these services for FREE



State of the Industry- Legislative Perspective

Right to Repair Bills- History

- Started off because consumers were tired of being forced to use authorized repair centers or manufacturer-owned repair centers
 - Consumer Electronics
 - Farming Equipment
- This morphed to include items like Medical Devices and Complex Rehab Products
- All Started in Colorado for power wheelchairs



State of the Industry- Legislative Perspective

Right to Repair Bills- History

- Colorado Right to Repair law effective January 1, 2023
- Initiated by Consumer and Supported by PIRG
- Forces Manufacturers to sell parts directly to consumers if asked
 - This includes tools, schematics, software, and clinical items
 - Includes scooters
- This law FAILS to address the problems with repairs
 - Consumer will not be reimbursed for repairs
 - No safeguards to ensure safety of consumer- liability protection added late
 - No requirements to report repair issues to FDA
- How successful has the law been??



State of the Industry- Legislative Perspective

Right to Repair Bills- Federal Level

- The Repair Association is a Washington DC-based lobbying group
- Hearings were held last year to advance Federal Right to Repair legislation
 - Focus on consumer electronics and farm equipment but did include medical devices and complex rehab equipment
 - Two very large lobbying groups support excluding medical devices
 - ✓ ADVAMED
 - ✓ MDMA
 - FTC Chairwoman in favor of Right to Repair
- House of Representative changes are positive for Complex Rehab
 - Republicans may support Right to Repair but understand medical devices and CRT (Class II medical devices) should be excluded



State of the Industry- Legislative Perspective

Right to Repair Bills- States

- States with Complex Rehab Right to Repair Bills
 - Connecticut- **R2R Bill Killed**
 - NCART and industry testified
 - Ran out the clock at the committee hearing
 - Has morphed into something more problematic
 - Tennessee- **HOLD**
 - Introduced but on hold until 2024
 - South Carolina- **HOLD**
 - Introduced but on hold until 2024
 - Montana- **Killed**
 - Big Sky, AAHomecare, and NCART were able to get this tabled
 - Illinois- **Killed**
 - Worked with Great Lakes Association, Clinicians, NRRTS



State of the Industry- Legislative Perspective

Right to Repair Bills- States

- States with Complex Rehab Right to Repair Bills
 - California- opposed unless amended-**We will talk more about this**
 - NCART lobbied in Sacramento- had alternative language added
 - Still includes punitive language
 - Has moved out of the Senate to the House
 - Cure period- **DONE**, stronger waiver of liability- **DONE**, and reduced fines- **DONE**, **Exception for out-of-stock items added**
 - Iowa- We have introduced a bill that offers industry-developed recommendations for needed repair reform
 - The bill was rushed due to meeting a deadline
 - The language of the bill was not fully flushed out- We need to change some of the language.
 - Thank Tom Powers for all his work on this bill!!!



State of the Industry- Legislative Perspective

Right to Repair Bills- States

- Right to Repair bills mirror the initial Colorado bill
- Based on proposed CO regulations this could morph beyond what is written in the law- Regulatory discretion **We are experiencing this right now in Colorado**
- No understanding of the roles that the provider and manufacturer play
 - The language suggests that manufacturers repair the products
- No waiver of liability in some of the bills
- No recognition that supply chain issues still exist
- No concern for the safety of the consumer- These are FDA regulated medical devices
- The language has no limitations
 - Consumer can order any parts including clinical components such as tilt/recline
- Penalties for providers and manufacturers including Attorney General action, fines, and in some cases encourages litigation
- Repair and Service problems are multifaceted- there is no silver bullet



State of the Industry- CA. Issues

California SB. 271

- Introduced by Senator Dodd
 - Sen. Dodd was our champion for the 10% recession
 - Providers should see claims now being paid properly
 - Should have received some if not all of the 2022/23 backdated amounts
 - Right To Repair- Originally mirrored Colorado
- NCART met with Senator Dodd and lobbied in Sacramento
 - Focused on 5 solutions
- Included in the bill
 - Elimination of prior authorization
 - Limited Self Repair Items
- Does not include all of our solutions- Dodd has indicated he will work with us on these in the next session



State of the Industry- California Issues

- MCO's adjusting fee schedule to include the 10% recission amount
 - Calls were held with the agency to ask for an all-plan letter to be issued
 - The agency declined to issue the all-plan letter dictating the MCO's to update their fee schedules
 - Stated they don't have the authority to force the MCO's to make the adjustment
 - Recommendation- Please contact all your plans to ensure they are following your contract language



State of the Industry- California Issues

Reimbursement Reform- #1 issue for California CRT Providers

- Reimbursement Reform NEEDED Now
 - We have not seen some codes updated since 2007
 - MediCal codes are 23% to 79% below Medicare Rates
 - No coverage for travel, diagnosis, or evaluation time
 - Have you seen LA, SF, SD traffic??
- PLAN
 - Budget letter sent to Chairs of committees- **DONE**
 - Invite legislators to tour CRT providers locations- July 11- August 11
 - Identify other champions who will lend support to Senator Dodd
 - Set up meetings/call with influential members of the Assembly
 - Complex Rehab lobbying day in Sacramento- No date Set
 - Join us and help educate the legislators on the value you bring to CA. residents



State of the Industry- California Issues

- State budget uses Managed Care Organization (MCO) tax for targeted increases- no relief for medical supplies- other avenues
- AB 1157 requires health plan/ insurers to cover all DME and repairs without limitation- clarifies definition of “habilitative services”
- AB 871 labor bill to require installers of ramps/chair lifts in home setting to meet training and certification requirements- removes current exemption that limits reg to elevators



State of the Industry- Legislative Perspective

Massachusetts Warranty Bill- 2021/2022

- Introduced in 2021- Consumers wanted their equipment fixed faster
 - This is a warranty bill that will only affect 7% of the MA. Complex rehab patients
 - NCART negotiated in good faith- the opposition stopped communicating and misrepresented agreement to the Senate
- Warranty would be extended to two years and would include NO exceptions for wear and tear items or customer abuse
- Killed in the general session but was snuck into a Senate bill at the last minute for the informal session
- NCART was able to kill this bill January 4, 2023



State of the Industry- Legislative Perspective

Massachusetts Warranty Bill- 2023

- Reintroduced 2023- Legislative language includes
 - 2-year bumper to bumper warranty- includes wear and tear items
 - New bill removes the customer abuse language
 - Can anyone tell me how extending warranties to 2 years will result in a repair being done quicker?
 - Deadlines
 - Evaluation of repairs must be done in 3 days
 - Loaner required within 4 days if unable to repair (No recognition of PA requirements)
 - Failure to reach these dates results in attorney general fines and potential litigation
- Demonstrates a lack of understanding of the CRT service and repair process
- Law focuses on warranty which is still only 7% of the population



State of the Industry- Legislative Perspective

Connecticut- Warranty Bill

- History- Started as Right to Repair- mirrored Colorado
 - Example that disability groups are communicating with each other
- Legislative language includes
 - 2-year bumper-to-bumper warranty- no exceptions for wear and tear
 - Small administrative failure extends the warranty to 3 years
 - Deadlines
 - Evaluation of repairs must be done in 3 days
 - Loaner required within 4 days if unable to repair (No recognition of PA requirements)
 - Failure to reach these dates results in attorney general fines and opens up the manufacturer to fines and litigation
 - Requires a 24-hour call center



State of the Industry- Legislative Perspective

Connecticut- Warranty Bill

- Legislative language includes
 - Requires adequate staffing for repairs
 - Does not recognize labor shortages
 - Requires adequate parts inventory
 - Does not recognize supply chain issues
 - Punitive Damages
 - Encourages attorney general fines
 - Encourages lawsuits
- One bright spot- eliminated prior authorization for CRT repairs
- The bill died in committee
 - The industry and consumers have a legislatively mandated working group to create real service and repair reform



State of the Industry- Legislative Perspective

Washington Sales Tax Bill- Win for the Industry

- Win for Perseverance- 15+ years in the making
- Effective August 1, 2023- Sales tax for Complex Rehab Equipment will no longer be required
 - This was a bill that many of us have been lobbying for over 15 years
 - The previous bills included all of DME
- Was directed by Don Whitney- Inland Medical Rehab- “like a dog on a bone”
- Great coordination with PAMES, AAHomecare, all the suppliers working in Washington
- Lessons learned- We must focus on complex rehab products and the unique business model we offer to take care of a specialized patient population



Real Solutions for Service & Repair Reform

- Reimbursement Reform
 - Must get paid for travel and diagnosis time for repairs
- Eliminate Prior Authorization
- Require CRT providers to service what they sell
- Reimburse and Fund Preventative Maintenance
 - Identify issues early before they become emergencies
- Limited Self-Repair
 - No calibration, No programmability, and No clinical items



Seat Elevation- A win for manufacturers, providers, and consumers

- CMS issues positive final coverage determination on May 16th
 - Effective May 16, 2023
 - No heads up to DME MAC's- sorry 15 minutes
 - Coverage for seat elevation for Group, 2, 3 and 5
 - Added group 2 which was unexpected
 - Applies to Fee for Service Medicare and Medicare Advantage Plans
- Consumers must undergo a specialty evaluation
 - Individuals who perform weight bearing transfers from the PWC- in the home
 - Individuals who perform non-weight bearing (dependent transfer) in the home
 - Transfers may be done with or without a floor or mounted lift
 - Individual performs reaching to complete one or more MRADL's



Seat Elevation- CMS Medlearn

■ CMS Medlearn

- To submit claims to the DME MACs for power seat elevation equipment beginning May 16, 2023, outside of the exceptions noted below, suppliers must use Healthcare Common Procedure Coding System (HCPCS) code E2300 (Wheelchair accessory, power seat elevation system, any type)
- HCPCS codes K0830 and K0831 MUST be used to submit claims for individuals with Medicare using seat elevation on Group 2 power wheelchairs that are not complex rehabilitative power-driven wheelchairs
- Claims submitted using HCPCS code E2300 for power seat elevation equipment on wheelchairs other than Group 5 and complex rehabilitative power-driven wheelchairs (K0835-K0864) will be denied
- The E2300 code CAN'T be used on codes K0813-K0829



Seat Elevation- CMS Medlearn

■ CMS Medlearn

- Effective for claims with dates of service on or after May 16, 2023, interim local fee schedule amounts for power seat elevation equipment will be established by the DME MACs for use in paying any allowed claims for power wheelchairs with power seat elevation
- HCPCS coding and national fee schedule amounts for power wheelchairs with power seat elevation will be addressed as part of an upcoming HCPCS public meeting, likely later this fall



Seat Elevation- Coding & Pricing

- We are in the interim period
 - Prior to the establishment of permanent codes and payment
 - MAC's have the discretion to determine reasonable and necessary coverage
 - Develop the LCD (local coverage determination) aligns with NCD (national coverage determination)
- Many questions remain that we need answers too
 - What are the final codes
 - What is the price that will be reimbursed during this interim period
 - What additional documentation will we need
- We are expecting more information from DME MAC's during this interim period



Seat Elevation- Coding & Pricing

- The next steps in the process- Coding and Pricing
 - NCART has been working with manufacturers to gather information to submit to CMS for proper coding. We need to highlight the differences in the products.
 - NCART is also gathering information on pricing to submit to CMS to support a proper payment amount.
 - Range we have heard is from \$1,300- \$7,200



Seat Elevation- The Million Dollar Question

- REMINDER- I AM NOT A BILLING EXPERT AND THIS IS NOT A RECOMMENDATION
 - The number one question I get everyday is how much are we going to get paid.
 - I will share with you what some of our members are sharing with me
 - They are going to try a couple claims to test and find out what they will be paid from Medicare- Some are also saying Medicare Advantage
 - The consensus among the billing experts is that E2300 will be paid as Misc. code at a percentage of MSRP
- NCART will be hosting a webinar in the next couple of weeks to updated everyone- You will all be invited. The webinar will be 4 billing experts



NCART- Fighting to Protect the Industry

- NCART is spearheading the rapid response to all the bills introduced
 - Identify each bill as soon as introduced- Not just Right to Repair
 - We organize the industry- AAHomecare, State Associations, providers, and manufacturers.
 - We identify the legislator and who is pushing this bill
 - We reach out to the legislative body to identify our strategy on each bill- each bill could be different
 - Rally the troops- providers, manufacturers, clinicians, consumer groups to weigh in on why this bill will not solve the problem
- The real problem is- WE NEED COMPREHENSIVE SERVICE AND REPAIR REFORM



NCART 2023 Focus- Fighting for CRT providers

- Increased Reimbursement
 - NCART continues to pursue opportunities for fee schedule increases at the state level
 - Directed at Medicaid programs- letters to directors and agencies overseeing Medicaid
 - Our legislation includes language to ensure providers are paid for all the services you provide
- Successful coverage, coding, and pricing for seat elevation and power standing systems.
 - This is the greatest opportunity for providers, manufacturers, and especially consumers
- Service and Repair Reform
 - We need reform now- YOUR reimbursement is key to success



NCART 2023 Focus- Fighting for CRT Providers

- NCART created denials group to develop strategy for overcoming unjust denials for Multi-power products from the Managed Care Organizations
 - Developing best practices for providers
- NCART Industry Cost Study- Coming Soon
 - Anyone that participates will get access to this data
- NCART Medicaid Legal Guidebook- Available September 2023
 - Provide information on what the Medicaid programs, the MA programs and Medicaid MA programs must provide with statute citations
 - Available to NCART members only



NCART- Fighting to Protect the Industry- What Can I Do?

- **Recognize the fight is real**
 - Legislators must be educated before taking action with legislation that affects the CRT industry
 - The disability groups and consumers groups are sharing their successes. The legislation may not be in your area- JUST YET!
- The opposition is passionate
- **Get involved**
 - Join NCART in this fight
 - Join CAMPS and serve on a board or committee
 - Become a US Rehab member- has many great Rehab programs including a great legislative and regulatory group
- DON'T ALLOW MISINFORMED LEGISLATORS TO CONTROL YOUR BUSINESS



NCART- Fighting to Protect the Industry- What Can I Do?

- NCART Legislative Fly in
- September 13, 2023
- Virtual event
 - 2022- Over 300 Advocates and 350+ meetings
- Hosting an “Congressional Educational Event” Live on Capitol Hill
 - September 14, 2023
 - We are going old school- highlight products
 - Focused on Complex Rehab differences, seat elevation, power standing systems, and upgrade proposal



Questions

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