Advocacy

# Medicare Changes Payment for RADs

The Centers for Medicare and Medicaid Services (CMS) issued a final ruling that changed the payment classification of bilevel ventilators with backup rates from the frequent and substantial servicing (FSS) category to capped rental (CR).

You can read the press release at www.cms.hhs.gov/apps/media/press/release.asp?Counter=1764) and the entire ruling, which includes background information, as it appeared in the Federal Register, January 27, 2006, Page 4518-4525, 42 CFR, Part 414, online at www.cms.hhs.gov/DMEPOSFeeSched/Downloads/CMS1167F.pdf.

However, the Deficit Reduction Act of 2005 eliminated the capped rental category, so these ventilators are now considered a 13-month rent-to-own item.

For more background information and details about this Act: www.aahomecare.org, click on "Reconciliation Bill and Capped Rental Issues Information," then select "February 8, 2006 - Q & A on capped rental provisions of Deficit Reduction Act."

*The above links are on www.post-polio.org/ivun.*

## Who is affected?

Medicare beneficiaries who use bilevel ventilatory equipment (called respiratory assist devices or RADs) with backup rates, e.g. users of Respironics's BiPAP® S/T and BiPAP® Synchrony; ResMed's VPAP® III ST and VPAP® III ST-A; or Puritan Bennett's KnightStar® 330.

## The Changes:

Respiratory assist devices (RADs) with backup rates are no longer considered durable medical equipment (DME) requiring frequent and substantial servicing (FSS). The new classification is best described as "rent-to-own." *Title to the equipment will pass from the DME supplier to you.*

Medicare payments will end after 13 months, and you will own your RAD with backup rate. Medicare is slated to pay for maintenance and servicing but the rules have not been decided by CMS, and CMS has discretion on how/when payment for maintenance and servicing will be made.

There will be a transition period for devices which are currently being rented to Medicare beneficiaries and paid for under the FSS rate. *Your rental months paid prior to April 1, 2006, will not count toward the rental payment cap.*

CMS reports that your coinsurance amount may decrease, beginning with the fourth month of rental. For example, if you had been paying up to $128 per month, your coinsurance decreases to around $96 per month.

## What is the back story?

In looking for ways to save Medicare dollars, CMS determined that these devices were in the wrong payment category. An inspection of the equipment and home health suppliers by the Office of the Inspector General (begun in 1999 with a final report in 2001) revealed that some durable medical equipment suppliers were not fulfilling the responsibilities required of them when receiving the higher payment for frequent and substantial servicing.

Unfortunately, CMS does not consider the cost of respiratory care services that are needed to help you use your RAD. Reimbursement for these services has been bundled together with the reimbursement for the equipment. It is predicted that this cut in payment from Medicare may result in lesser respiratory care service from the RTs that work for the suppliers/home health care company.

IVUN and other concerned groups, both respiratory health professional organizations and organizations for people with neuromuscular conditions, have repeatedly written to CMS (starting in 1999) emphasizing that many individuals who use these devices depend on the backup rate feature to initiate a breath when they cannot initiate breaths on their own. To assure patient safety, the devices require frequent and substantial servicing. Unfortunately, CMS ruled otherwise. ▲

The advocacy efforts continue, and we will report any changes in status of this decision in the next issue of *Ventilator-Assisted Living* or on www.post-polio.org/ivun.