

Medicaid Reimbursement Cuts Related to Medically Fragile Technology Dependent Patients at Home in Illinois

Thursday, May 14, 2015



a division of RehabTECH Supply, Inc.



Medicaid Reimbursement Cuts Related to Medically Fragile Technology Dependent Patients at Home in Illinois

ISSUE:

- 1) The 16.75% across-the-board reduction to Medicaid reimbursement rates for services provided May 1 through June 30, 2015.
- 2) Unpredictability of future reductions with the potential that the 16.75% reduction will be modified, eliminated, or remain in place through September 27, 2015.

PROPOSED SOLUTION:

State of Illinois shall exclude specific HCPCS codes from the Illinois Medicaid Reimbursement Cuts related to medically necessary invasive life sustaining and life saving respiratory equipment, clinical respiratory services, and related supplies for medically fragile and technology dependent (MFTD) patients. This will avoid unnecessary chaos and expense caused by untreated or inadequately treated illnesses which require patients to be admitted to NICU, PICU, and MICU, etc. Most of these patients are too fragile and complex to survive in transitional/long-term care facility settings without suffering frequent hospitalizations.

GENERAL FACTS:

- 1) Illinois is dependent on a very few Home Medical Equipment and Supply Providers (HME) who provide invasive clinical respiratory equipment and supplies to service the MFTD children and adults currently living at home in Illinois. Over the last two to three years, the national companies abandoned this particular business within our state citing existing low reimbursement rates, increasing requirements from licensing, accrediting, and insurance bodies, increased liability, and the economic uncertainty of our state paying its bills.
- 2) Direct costs of equipment and required supplies for the medically fragile/complex technology dependent patients requiring invasive mechanical ventilation at home exceeds the reduced reimbursement rates and current reimbursement rates for some HCPCS which are required for this patient population. ***See attached spreadsheet for specific HCPCS.***
- 3) Illinois Respiratory Care Practice Act requires that the tracheostomy and ventilator dependent patients be maintained and serviced by a licensed respiratory therapist (Respiratory Care Practitioner "RCP"). These services are currently non-reimbursed. General HME services (e.g., canes to walkers, CPAP, enteral, and oxygen) do not require the clinical expertise of a licensed RCP.

- 4) The invasive and complex nature of tracheostomy and ventilator services dictates increased general and professional liability insurance costs.
- 5) The high-tech respiratory equipment and supplies required for patients with tracheostomy tubes, invasive mechanical ventilators, and other life sustaining/lifesaving respiratory services and equipment require HMEs to adhere to stringent FDA, DSCC, AARC, licensing, and accreditation guidelines and function within the Illinois licensing rules and regulations and the Respiratory Care Practice Act; the requirements are not reimbursable and include but are not limited to:
 - A. The manufacturers' preventive maintenance schedules of high-tech respiratory equipment are required and must be performed by outside biomedical companies.
 - B. Invasive ventilators must be "routinely" maintained and serviced by licensed RCPs.
 - C. 24/7/365 Clinical Respiratory on-call services are required to problem solve life sustaining/life saving equipment issues.
 - D. A minimum 10% inventory reserve of all life sustaining/life saving equipment must be available for delivery on a 24/7/365 basis in the event equipment malfunctions or requires preventive maintenance.
 - E. Life sustaining/life saving equipment must be exchanged within a two-hour window on a 24/7/365 basis as needed due to malfunctions, damage, etc.
 - F. Licensed RCPs are required to "trial" patients on their home ventilator and train non-medical primary caregivers living with the patients prior to their hospital discharge; this results in numerous hours of licensed RCP time and equipment costs.