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**EXTREME CUTS IN MEDICARE PMD FEE SCHEDULE CALLED UNWARRANTED
AND UNSUSTAINABLE**

Beneficiary Access will be Compromised As Suppliers are Forced to Close their Doors

(Washington, DC) - The Power Mobility Coalition (PMC) expressed deep concern over the extreme and unwarranted cuts in the Medicare fee schedule for power mobility devices (PMDs) that was released yesterday by the Centers for Medicare and Medicaid Services (CMS). If implemented, these new allowables will mark an approximately 35% decrease in the current reimbursement rates resulting in beneficiary access issues and forced bankruptcy for suppliers.

“As it stands, these cuts are unsustainable and will have a drastic detrimental impact on beneficiaries and suppliers,” stated PMC Director Eric Sokol. “PMC supplier members have indicated that they cannot remain in business for long if the new rates take effect and they are concerned for their clients who depend on their services to keep them mobile and out of institutional settings. Suppliers in rural and underserved areas are particular vulnerable since transportation costs are high and the volume of patients is low.”

PMC supplier member Ivan Tuttle of Scooters America, Post Falls, Idaho does not mince words when stating that the dramatic price reductions “may force us to close our doors.” His concern lies with his clients, mostly disabled and elderly Medicare recipients since, as Tuttle predicts, “no supplier will serve this population in these rural areas, especially at the new reimbursement rates. Without access to PMDs, many of these patients will lose their independence and will probably end up in a nursing home or some other form of institutional care.” Scooters America serves beneficiaries in Wyoming, Idaho, Missouri, Washington, Montana and Oregon.

CMS’ proposed pricing policy can be characterized as “penny wise and pound foolish” given that access to PMDs actually saves the Medicare program resources. A study conducted by health care economists RRC, Inc., examined the Medicare cost savings attributable to PMDs. The study found that beneficiaries who utilize power mobility save the Medicare program over \$13,000 as a result of less hospitalization and emergency room visits due to falls and fall-related injuries. A copy of the RRC study can be found at: <http://www.pmcoalition.org/pubpolicy/analysis.asp>.

The PMC also expressed disappointment that the new pricing seemingly fails to take into account the costs of partnering with the Medicare program. As PMC Counsel Stephen M. Azia explains, “[S]uppliers must adhere to a myriad of rules and regulations, including accreditation and certification, in order to serve Medicare beneficiaries. Fair pricing necessitates that these costs must be reflective in the reimbursement levels. As a result, CMS’ use of internet pricing sources – which are typically not subject to Medicare rules - in determining the Medicare fee schedule is flawed and patently unfair.”

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The Power Mobility Coalition (PMC) is a nationwide association of manufacturers and suppliers of motorized wheelchairs and power operated vehicles based in Washington, DC.