

January 30, 2004 – “Costs and Savings in Medicare Change on Wheelchairs” By Michael Janofsky, The New York Times

For a few months after severe arthritis in her knees forced Sister Scholastica Rzepka into a manual wheelchair, her arms still had the strength to propel her around the Sisters of the Holy Spirit convent near Pittsburgh, her home for the last 77 years. By last fall, with arthritis crippling her shoulders, her doctor prescribed a **power wheelchair**.

Not long ago, Medicare would have reimbursed the company that provided the chair -- with almost no questions asked -- covering the usual 80 percent of the \$5,200 cost. But after a soaring demand for **power wheelchairs** and dozens of highly publicized cases of fraud and abuse in recent years, Medicare administrators late last fall began to take a closer look at reimbursement requests, an effort now saving the government millions of dollars.

Medicare officials say they are merely doing their jobs better. But companies that make and provide the wheelchairs contend that the government has, in effect, tightened the eligibility requirements, which they say is hurting both them and their customers.

Victoria Tarpey, the owner of Med-Care Supply, a small company in Patterson, N.Y., that sent Sister Scholastica, 88, her new chair, said Medicare had denied initial claims for nearly 20 of her customers. In the nun's case, Ms. Tarpey said, the agency ruled the chair was not medically necessary despite assurances from Sister Scholastica's doctor that the arthritis in her knees prevented her from taking even a single step.

Ms. Tarpey has appealed the denials for each customer and is awaiting hearing dates. If a first appeal is denied, she has the right to a second. But she said she feared the worst: denials that would force her to choose between going out of business or going to court to sue her customers for the cost of the chairs. She has already cut her staff in half, to just two part-time workers.

"I'm just a small-business owner," she said. "I've already spoken to a bankruptcy attorney and used most of my savings to keep going. Now, it's down to pretty much just me, but I don't know how long I can hold on."

Big companies are suffering as well. The Scooter Store, a Texas company that is the largest supplier of power wheelchairs and scooters in the country, selling 50,000 a year, recently dismissed 200 of its 1,500 employees and blamed the government for the layoffs.

"It's just nuts," Doug Harrison, the company president, said. "They talk about fraud and abuse. To me, it's abuse in the home of the beneficiaries. They now have a choice to crawl around or go to a nursing home. That's abuse, and it's absurd."

The controversy over payments for power wheelchairs has been growing as the demand for them has increased. In recent years, Medicare reimbursements have nearly tripled, to more than \$845 million in 2002 from just over \$289 million in 1999, an increase that reflects a rise in the number of Medicare payments for power wheelchairs, to 159,000 in 2002 from 55,000 in 1999.

For the same period, overall Medicare spending rose by 22 percent as the population of Medicare increased by just 1 percent a year.

Much of the new demand was driven by shady companies that took advantage of the relatively loose Medicare approval process. Ben St. John, a spokesman for the inspector general of the Department of Health and Human Services, said federal prosecutors have already won convictions in more than a dozen cases and are trying more than 50 other cases in 20 states, the District of Columbia and Puerto Rico.

In Harris County, Tex., Medicare paid for more than 3,000 power wheelchairs in 2001. A year later, it paid for 31,000, reflecting what federal officials said was \$84 million in fraudulent claims.

As federal officials around the country began prosecuting cases, officials at the Centers for Medicare and Medicaid Services, the agency that runs Medicare, initiated a program to crack down on abuses. As part of a 10-point program, the agency said it would begin "a more detailed screening process" for new suppliers and require stricter overall monitoring.

To educate the public, Medicare instructed the four private insurance companies that handle Medicare claims for power wheelchairs to adopt standards that reflect "the clinical conditions for which mobility products are reasonable and necessary." That led to a "policy clarification" for suppliers, which outlines who is eligible for a power wheelchair and what medical records are required to support the claim.

Tim Hill, the center's chief financial officer, described the effort as not so much new policy as "new scrutiny" by officials who had grown lax in monitoring regulations in place since 1997.

"We had seen a spike in power wheelchair spending," Mr. Hill said. "It was the prudent thing to do."

Makers and suppliers of power wheelchairs say the change is more than a restatement of old policy. They say it narrows the eligibility requirement by eliminating people like Sister Scholastica who can stand without help but have limited arm strength. In addition, suppliers say they are facing new demands for paperwork, like a physician's contemporaneous notes of a patient's deterioration, that they were never before asked to submit.

"They've thrown the baby out with the bath water," said A. Malachi Mixon III, chairman and chief executive of Invacare of Elyria, Ohio, the nation's largest manufacturer of power wheelchairs with sales of \$1 billion a year. "They're trying to stop the fraud, but instead, they've decided to kill the program."

Thomas A. Scully, who stepped down last month as administrator for the Center for Medicare and Medicaid Services, said he had asked his staff to develop a new strategy in the face of the rising number of fraudulent claims.

If no further changes are made, health experts say pressures will grow on health care providers to help people who, with a power wheelchair, can do many things for themselves. Annette Kasper, a nurse at the convent where Sister Scholastica lives, said that if the nun loses her power wheelchair, convent staff members will have to tend to her constantly or she will have to be moved to a facility better equipped to help her.

"It's all just starting to sink in with the disabled community," said Andrew Imparato, president and chief executive of the American Association of People with Disabilities. "If they're concerned about fraud, there are ways to crack down on bad actors that don't require a one-size-fits-all approach to ways to pay for power wheelchairs. They are going to force people to impoverish themselves in institutional settings. People who have not committed fraud are penalized, and the punishment doesn't fit the crime."