



For Immediate Release

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## **NEW RESEARCH REVEALS THAT POWER WHEELCHAIRS PROVIDE EVEN GREATER SAVINGS TO MEDICARE**

BRYAN, Texas - Additional research by RRC, Inc., a nationally prominent economics consulting firm located in Bryan, Texas, reveals that provision of power wheelchairs or scooters for the mobility impaired saves even more money for Medicare than first reported last year. Initial analysis of actual Medicare claims data indicated an average savings of \$5,300 over a three-year period for Medicare per recipient of a power vehicle, equating to a potential savings of several billion dollars. The more recent refinements in the analysis indicate that savings, after accounting for the cost of the power vehicle, can be as high as \$8,760 over a three-year period. This amounts to a potential savings that is 65% higher than was previously indicated.

The study showed savings to Medicare begin in the year in which the power vehicle is acquired and continue to accumulate for at least a three-year period.

In late 2003, RRC, Inc. completed a year long study of the effect of power vehicles on Medicare expenditures for the period 1994 through 2001. "*Powered Vehicles For The Mobility Impaired: The Net Benefits to Medicare*" was conducted by Dr. Donald House and Dr. Clifford L. Fry, two Ph.D. economists and graduates of Texas A&M University, and Dr. Kent D. Nash,

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a Ph.D. economist and graduate of North Carolina State University. All are former faculty members of nearby Texas A&M University.

“We determined the savings for those receiving power vehicles were due to lower Medicare expenditures for inpatient hospitalization, home health care, skilled nursing facilities, and carrier costs,” Dr. House said. “These are the same types of expenditures in which savings were identified in our first study.”

Since that first study was completed for members of the durable medical equipment industry, RRC, Inc. independently has conducted new research for submission to a scholarly journal. The authors continued to test the sensitivity of their earlier results by using alternative statistical approaches to identify the control group – those Medicare beneficiaries without power vehicles but who are physically comparable to those who received power vehicles. The analysis determines who should be in the control group and when those in the control group become eligible for a power vehicle. Subsequent Medicare expenditures are then analyzed for those with power vehicles and for those “assigned” a power vehicle in the control group.

The newly refined requirements for entering the control group decreased the number of people identified for that group. The more stringent requirements resulted in an increase in the relative savings for the true recipients of power vehicles – up to \$8,760 for a three-year period.

By using the refined control group for comparing expenditures, the potential average savings are as high as \$679.78 per quarter for each recipient of a power vehicle. The initial report of savings per quarter for Medicare was \$349.71 per recipient.

The studies were conducted using claims data from the Center for Medicare and Medicaid Services. The RRC, Inc. findings highlight the fruits of assisting the truly mobility impaired with power vehicles.

*Copies of the executive summary of the study are available upon request.*

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