

April 28, 2004 – “Medicare's wheelchair payments scrutinized” By Julie Appleby , USA Today

In one year, the number of powered wheelchairs paid for by Medicare for residents of Harris County, Texas, jumped an astounding 933%.

Following news reports of the dramatic jump -- from 3,000 chairs provided in 2001 to 31,000 in 2002 -- Medicare regulators clamped down on chair suppliers in Harris County, home to 3 million people and the city of Houston.

But the real fallout is just starting: Federal investigators say Medicare needs to revamp the way it pays for wheelchairs and clarify how it decides which patients qualify for them.

"Fraud, waste and abuse in the power-wheelchair program could be costing Medicare hundreds of millions of dollars every year," says Sen. Charles Grassley, R-Iowa, who called a hearing of the Senate Finance Committee on the issue today.

The focus on motorized wheelchairs has sparked fear in the wheelchair industry that payments will be sharply reduced, while some patient advocates fear that Medicare will restrict the number of patients who qualify for chairs. The issue is growing in importance because Medicare is spending far more on powered wheelchairs -- an estimated \$1.2 billion last year, up from \$289 million in 1999.

Today, the General Accounting Office will tell the Finance Committee that Medicare officials failed to launch a coordinated effort to address rising wheelchair costs, despite years of warnings of possible fraud, until the Harris County troubles were reported.

The committee will also hear that Medicare pays too much for powered chairs and provides them to many patients who don't qualify. Grassley called for the reports from the GAO and the Office of the Inspector General for the Department of Health and Human Services. Among the findings:

- * The Centers for Medicare & Medicaid Services (CMS) pays a median of \$5,297 for a powered wheelchair, but similar models could be purchased from suppliers for as little as \$1,550.

- * If Medicare purchased chairs at the median price available to consumers, it could have saved \$224 million in 2002 and Medicare patients would have saved \$45 million in co-payments.

- * Of 300 claims for patients granted powered chairs, almost one-third did not meet Medicare's criteria for any type of wheelchair.

Medicare officials say they agree with much of the report, taking exception only with the GAO's criticism that the agency failed to heed warning signs.

"We sent out our first fraud alert in 1998," says Herb Kuhn, director of the Center for Medicare Management at CMS. "We started out by slowly tapping the brakes, then we pressed harder. (After Harris County), we slammed on the brakes."

In September, CMS issued a plan for stopping wheelchair fraud, which required, among other things, a review of every claim sent in from Harris County. Investigators allege that some doctors there were paid for prescribing wheelchairs for patients who did not qualify for them. In other cases, Medicare was billed for motorized wheelchairs, but patients were sent lower-cost scooters.

Patient advocates see growing need

Patient advocates say that the growth in wheelchair spending is less about fraud and more about a growing number of patients who need assistance.

"There's a tremendous unmet need out there," says Henry Claypool, co-director of the advocacy group Advancing Independence.

Claypool says that CMS needs to create clear national guidelines on who qualifies for a chair. Medicare rules say a patient must need the wheelchair in the home and be restricted to a bed or chair without it. But questions remain about whether patients who can take a few steps, or who need assistance some days and not others, would qualify.

Investigators will tell Congress that Medicare should consider creating several payment categories for powered chairs, reflecting the variance in price among models that offer differing features.

Wheelchair makers and suppliers say that Medicare should root out fraud. But, they say, Medicare does not overpay for chairs because it requires suppliers to provide more services to patients. Reducing payments could drive legitimate suppliers out of the business and could mean fewer patients get chairs.

"The vast majority of suppliers are law-abiding and above-board," says Eric Sokol, director of the **Power Mobility** Coalition, an association of chair manufacturers and suppliers. "The products they provide give patients freedom and independence and save Medicare money by keeping them out of institutional settings and preventing falls."