

Medicare Bidding Program Creates Repair Nightmares for Patients

The problems caused by [Medicare's controversial bidding program](#) continue to expand, with many patients suddenly discovering it is nearly impossible to get repairs for critical home medical equipment that they need to maintain their quality of life.

For senior citizens and people living with severe disabilities, the inability to repair their equipment is often a serious blow that jeopardizes their health. It's very disappointing that the [Centers for Medicare and Medicaid Services](#) (CMS) didn't anticipate problems with repairs when designing the badly flawed program. Since it began as a pilot project in 2011, then expanded to an additional 91 locations last July, the bidding program has blocked or delayed access to home medical equipment for Medicare patients and needlessly put hundreds of providers out of business.

The repair problem is frustrating for Medicare patients, as well as providers. Clearly, the problems originate from the rules associated with the bidding program.

Under the program, providers submit bids to provide services and equipment such as oxygen, wheelchairs, hospital beds and diabetic testing supplies in specific geographic areas. CMS then selects the winners and sets prices in a much-criticized system that allows for non-binding bids and amounts to government price-fixing. These bid winners are the only providers authorized to supply home medical equipment to Medicare patients in these geographic areas.

But the rules and regulations don't require the bid-winning providers to service and repair equipment that they did not sell. Thus, when patients who purchased equipment from other providers need repairs, bid winners often turn them down. And when they go back to the providers that they purchased the equipment from—if they are still in business—confusing rules about repairs often cause patients to be turned down by those providers as well.

It's a complicated mess. Consider this rule: if a power wheelchair provider agrees to repair equipment that they didn't sell, the patient must provide copies of the original documentation that qualified them to receive the equipment. This includes information from their physician such as details of their face-to-face examination, physician notes, and other paperwork. For a senior citizen or severely disabled patient, obtaining this paperwork from a doctor can be an extremely arduous task. Even when the original paperwork can be obtained, sometimes it doesn't meet the current standards, so the repair work is either delayed or halted.

The rules are unnecessarily confusing and seem illogical. Power wheelchairs are now provided as 13-month rentals to patients. When the rental period ends, patients gain ownership of the chairs, but that's when repair problems can begin. A non-bid winning provider can repair patient-owned equipment, but cannot replace certain items on the wheelchair. Providers say it makes little sense for them only to be allowed to replace certain parts and not complete the repair job. Furthermore, the bid prices that Medicare pays for certain parts is actually below their acquisition cost, so providers often decline to take repair jobs because they would lose money by doing them.

Moreover, CMS is implementing a new rule that will only worsen the situation. As of April 14, many parts will be designated as "rental only" for patients who own their wheelchair after the rental period. So, if a wheelchair needs a new motor, CMS wants the provider to pay for the part and then be reimbursed through rental payments over 13 months. Under those conditions, which amount to

a significant drain on cash flow, and possibly a net loss, providers simply won't do this type of repair. And if the patient passes away or goes into a hospital or nursing home, is the provider expected to go out and recover rented motors?

It seems that even when CMS attempts to deal with the repair issue, it rarely gets fixed. The SCOOTER Store, which had been the nation's largest distributor of power wheelchairs, went bankrupt last year, creating a major crisis for hundreds of Medicare patients who couldn't get repairs for equipment that was still within the 13-month rental period. In October, The SCOOTER Store transferred titles of rental equipment to the patients. But that didn't resolve the repair problems. Now, these patients face the same hurdles as other wheelchair owners seeking repairs.

What's clear is that the government doesn't fully understand the turmoil it creates for Medicare patients when they can't get their equipment repaired. These are some of the most vulnerable people in our society, yet Medicare seems to create more hurdles for them rather than help them get the repairs they need to live independently in their homes.

Carl A. Mulberry, president of [Columbus Medical Equipment](#), in Columbus, Ohio, wrote to Congress about repair problems and cited the circumstances of one Medicare patient.

"I had a longtime patient call me," he wrote. "She was almost in tears because her hospital bed has needed repair for quite a long time. The bed needs an accessory replaced; the foot motor and tube assembly that is part of the bidding program. She had called several contract suppliers to try to get help. She finally found one that charged her \$60 to come to her home and identify what needs replacing. When she did not hear back, she called them and was told that they were not able to find the parts for her bed. She has one of the most common beds in the homecare industry. She is now planning to buy the part from us and have a friend's son install it for her. Medicare successfully saved money on this case. And this is supposed to be a good thing? What's the cost of the anxiety that this woman was needlessly put through?"

Unfortunately, there are hundreds of Medicare beneficiaries across the country just like this patient. She was finally able to find a solution, but many are helpless and losing hope. This isn't what Medicare was supposed to be: Where is the safety net for the elderly and the disabled?

***DME Matters* is published periodically to inform Congress, the administration, policymakers, consumer organizations, and the media about the dangers of Medicare's bidding program for home medical equipment. To learn more about the effort to end this dangerous and defective procurement process, visit www.aahomecare.org or contact Peter Rankin at 202-372-0755 or peterr@aaahomecare.org.**

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