Innovative Strategies to Engage DME Suppliers in AT Reuse Programs:
How Everyone Can Benefit

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Rita Hostak

December 4, 2012
CILs AND AT REUSE NATIONAL CONFERENCE

Join us in Atlanta on December 12 and 13 for a national conference on AT Reuse and Centers for Independent Living.

See the full announcement at www.passitoncenter.org and register before Friday, December 7.
Get CEUs or CRCs

- **CEUs** are administered through GA Tech Professional Education

- **CRCs** are administered through Commission on Rehabilitation Counselor Certification (CRCC)

- To receive your verification form, send an e-mail with your name, organization, city, state, DOB and e-mail address to [Liz@passitoncenter.org](mailto:Liz@passitoncenter.org)
At the end of this webinar, we’ll ask you to take a few minutes to complete a brief evaluation of today’s Pass It On Center Webinar at:

http://www.surveymonkey.com/s/R325KJX
OUR SPEAKERS TODAY

- Joy Kniskern, Principal Investigator, Pass It On Center
- Lee Learson, Founder and Consultant to NEAT Marketplace, Connecticut
- Lindsey Bean Kampwerth, Director of Repair and Reuse, Paraquad, St. Louis, and Consultant to the Pass It On Center
- Rita Hostak, Vice President, Government Relations, Sunrise Medical
LEARNING OBJECTIVES

- To identify incentives and barriers to engaging DME suppliers in reuse programs
- To learn about different models of AT reuse and repair in which suppliers are engaged
- To understand how one AT repair program bills Medicaid as an adjunct to its AT reuse services
THE KANSAS EQUIPMENT EXCHANGE
Partnership among Kansas Medicaid, DME providers, the Assistive Technology Act Program (Assistive Technology for Kansans), and a network of program partners

- Started in 2003

- KEE uses AT Access Sites as distribution centers.

- Acceptance of lightly-used, free equipment is entirely voluntary.
WHAT’S DIFFERENT?

Kansas Medicaid pays for refurbishing lightly used DME.

AT devices that are not DME are refurbished with funds from other sources.
Legislators were concerned about DME in yard sales (perhaps purchased with state funds).

State budget review in a tightening economy

Intensive review of the proposed DME budget (approximately $11 million)

Ongoing relationship between Kansas Medicaid and the State AT Act Program (ATK)

Discussions between the two resulted in a NIDRR field grant application and award to develop a statewide cost-neutral DME reuse program from October 2001 – September 2004.
KEE: PARTNER ROLES AND RESPONSIBILITIES

**KEE**
- Program operations
- Acquisition of donations
- Inventory tracking
- Reassignment of devices
- Policy and procedural compliance
- Notification of product recalls or warnings

**Kansas Medicaid**
- Stickers all Medicaid-funded DME for reuse
- Funds inventory tracking for ALL donated equipment
- Pays for repair and refurbishment of only devices reassigned to Medicaid beneficiaries

**DME Providers**
- Provide manufacturer-certified technicians
- Repair and refurbish all equipment donated to KEE

**Network of Program Partners**
- Collect equipment to build inventory
- Increase public awareness
- Help control program costs
- Receive some equipment that remains at KEE past the time limit
36 organizations, e.g., equipment loan closets, services and support organizations across Kansas

Support KEE through equipment collection and awareness

High-end devices go into KEE inventory.

After 90 days (now running about 120) unused devices are distributed to partners.
Since 2003, KEE has worked with 90 DME providers to refurbish equipment.
+ 62 located in Kansas or within 60 miles of state line; 28 are out-of-state providers
+ 26 core providers do most of the work, with four of those out of state

Program policies require certified technicians, although the formal agreement does not.
1. DME vendor submits authorization request detailing proposed work and cost prior to refurbishing.

2. Program coordinator reviews proposal, consults with vendor if there are questions.

3. Submits to Program Director for approval.

Approval process usually completed in less than 24 hours.
KEE WORKFLOW

**Equipment Acquisition**
- Track Medicaid devices for return when no longer needed
- Conduct public awareness campaigns to obtain donated equipment

**Repair and Refurbishing**
- Refurbish equipment using manufacturer-certified techs
- Deliver devices to customers or return to KEE inventory

**Matching**
- Use local consultants to match certain categories of equipment
- Medicaid may request specific devices for a beneficiary

**Distribution**
- DME provider may deliver to identified recipient
- Equipment in inventory over 90-120 days may be distributed to program partners.
DME PROVIDER SERVICES

- Maintain qualified technicians
  - Manufacturer trained or certified
  - Provide professional information about devices
- Promote the program to consumers and recruit other DME providers
- Repair and refurbish donated equipment
  - Obtain authorization from Medicaid when required
- Deliver equipment to new user or to the network to place in inventory
Uninsured and underinsured customers have a source of free DME to support their needs.

Medicaid beneficiaries may CHOOSE to accept lightly-used, refurbished devices in lieu of new devices (may avoid a delay in receiving needed equipment).
BENEFITS TO DME PROVIDERS

- Brings business through the refurbishing agreement ($41,000 annual budget for refurbishing services)
- Timely payment for services
- Repeat business from KEE consumers
BENEFITS TO KANSAS MEDICAID

- Reuse optimizes use of tax dollars by minimizing expense for DME
- Makes equipment available (some originally purchased by Medicaid, and some donated equipment purchased by others) to Medicaid beneficiaries, Medicaid eligibles and those likely to become eligible by virtue of limited income and assets
KEE IMPACT

+ **Year 1:**
  - 431 requests
  - 275 devices donated
  - 127 items reassigned

+ **FY 2011:**
  - 1158 requests
  - 777 devices donated
  - 701 devices reassigned

+ Last year, Kansas Reuse Program reassigned equipment valued at $857,745.

The program has had a national impact, with Dr. Sara Sack consulting with 18 states, and at least 20 states having implemented or considering Medicaid partnerships.
**KEE RETURN ON INVESTMENT (ROI): FY 2011**

- Program costs = $271,487
- Value of Medicaid-purchased equipment recovered = $436,351 (valued at 75% of MSRP)
- ROI: Benefits $436,351 - Costs $271,487 = $164,864 ÷ 271,487 = $0.61 returned for each $ spent after costs were recovered
- Value of private/public purchased equipment recovered = $689,700
- Program ROI: $1,126,051 - $271,487/$271,487 = $3.15
- NOTE: 72% of the equipment was not purchased by Medicaid but was available to Medicaid beneficiaries.
Questions about the Kansas Medicaid partnership?
Lee Learson

NEW ENGLAND ASSISTIVE TECHNOLOGY (NEAT) MARKETPLACE
Utilizing Private/Public Partnerships
Establishing and Maintaining Vendor Relationships

Presented by...
Lee Learson, Consultant, New England Assistive Technology Center at Oak Hill & Creative Pathways Associates
&
Bruce Stovall, Vice President, Oak Hill Centers
Vendor Partnership Models

- **Active Participating Vendors** assist programs in ...
  - Equipment repair
  - Equipment transportation
  - Training/certifying program staff
  - Fitting/matching equipment
  - Quality Control
  - Provide information on manufacturers specifications
  - Acquiring equipment donations

- **Supporting Vendors**
  - Equipment donation referrals
  - Providing program information to consumers
  - Participate in community/program events (equipment demonstrations)
NEAT Equipment Restoration Center (ERC)

NEAT Statistics: 2000 to 2011

- Consumers have received 12,763 pieces of equipment through the program.
- Thousands of pieces of equipment donated to the program and saved from landfills.
- Income to program = $1,054,242. (The ERC has been self-sustaining since 2005.)
- 17 participating (ERC) vendors (and 23 NEAT vendor/manufacturer members)
The NEAT Model  www.neatmarketplace.org

- **Equipment is:**
  - Taken in on donation
  - Triaged (restored, used for parts, international donation, recycled)
  - Restored using vendor specifications by certified staff.
  - Cleaned and sanitized
  - Sold to consumers through NEAT participating vendors and direct sales (Direct sales are for non-mobility items only.)
  - Consumers save 50% to 80% of what it would have cost new!
NEAT Vendor Requirements

- NEAT Participating Vendor Qualifications:
  - Must carry $2,000,000 in liability insurance
  - Be an authorized vendor for the types of equipment that they buy from NEAT
  - Have the ability to bill Medicaid, Medicare and third-party insurance
  - Agree to no more than the Medicaid markup on equipment that is purchased from NEAT and sold to consumers.
NEAT Model Advantages

**Benefit to NEAT**

- Vendors ($) support program through membership and sales.
- Vendors provide fitting and evaluations as required.
- Vendors take on liability, quality assurance, ongoing service and warranty (if applicable).
- Customer referral.
- Source for donated equipment from vendors/manufacturers/consumers
- Product demonstrations.
- Funding resource information.
- Staff training/certifications.
How to begin…

- All types of equipment reutilization programs can benefit from vendor/manufacturer partnerships.
- Start small. Choose one or two vendors/manufacturers.
- Set up meetings (it will take several!). Invite them for the “grand tour”!
- Before you meet – have a plan. Know what you want from a vendor, but **DO NOT** go to vendors with your hand out. Determine before hand what value you can offer.
  - Product demos, events (access to consumers), collaborative marketing, a resource for their customers, etc.
- Make sure they understand that you are **NOT** a competitor. (A collaborative, mutually beneficial relationship is the goal.)
- Be patient – this may take some time.
Establishing Vendor Relationships

- The purpose of these programs is not to replace the sale of new equipment but to make additional equipment more readily available.
- Create a collaborative focus rather than a competitive one by allowing vendors another way to serve their customers:
  - Most people accessing a reuse program have minimal or no resources to pay for devices.
  - Customers wanting to sell equipment back to vendors can be referred to the re-use program and receive a tax receipt for donation.
  - For customers that have insurance with low caps, the program can allow the vendor to provide additional needed equipment at low cost. (In NEAT’s experience less than 5% of its sales is paid for by insurance.)
- Provide mutual marketing and demonstration opportunities.
- Be a referral source.
- Provide vendor access to equipment for evaluation and/or short term/rental needs.
Maintaining Vendor Relationships

- Keeping participating vendors interested and involved...
  - Know your vendor’s product line.
  - Be a resource for quality equipment.
  - Maintain a clean, efficient workplace.
  - Retain qualified/certified staff.
  - Maintain an up-to-date, accessible inventory of equipment and parts.
  - Provide opportunities to participate in national and international donation.
  - Provide access to consumers, agencies and businesses through collaborative events, demonstrations and training opportunities.
  - Provide marketing opportunities (website links, displays).
  - Provide opportunity for tax deductible donations of excess vendor and manufacturer equipment.
  - Be a referral and information resource.
The New England Assistive Technology (NEAT) Equipment Restoration Center

Located in Hartford, CT.

www.neatmarketplace.org
Questions about the NEAT Marketplace model?
Lindsey Bean Kampwerth

PARAQUAD’S REUSE AND REPAIR PROGRAM
Paraquad is an Independent Living Center with approximately 40 different programs. It started 42 years ago. The reuse program began in 2005 in response to large Medicaid cuts in Missouri.
Paraquad has an Occupational Therapist on staff.

The Reuse program is supported by a DME repair program.
HOW THE PARAQUAD PROGRAM STARTED

- Missouri proposed major cuts to access to DME.
- In 2005 Paraquad received a small local grant to begin the program.
- In 2006 Paraquad applied for and received one of 12 special demonstration programs grants through the Rehabilitation Services Administration.
- The program’s unique features included:
  + Occupational therapist on staff
  + Collaboration between an ILC and Washington University
  + Development of an outcome measure
  + Creation of a repair program for sustainability
  + Collaboration with other ILCs
- The grant was from 2006-2009, after Paraquad adopted the program
# PARAQUAD: PARTNER ROLES AND RESPONSIBILITIES

<table>
<thead>
<tr>
<th>Paraquad Reuse</th>
<th>Participants</th>
<th>Repair Program</th>
<th>Neighboring ILCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Program operations</td>
<td>• Self pay for reuse equipment</td>
<td>• Has manufacturer-certified technicians</td>
<td>• Build inventory</td>
</tr>
<tr>
<td>• Acquisition of donations</td>
<td>• Increase public awareness</td>
<td>• Evaluates, repairs and refurbishes all donated equipment</td>
<td>• Increase public awareness</td>
</tr>
<tr>
<td>• Inventory tracking</td>
<td>• Get donation</td>
<td></td>
<td>• Help with donations</td>
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<tr>
<td>• Reassignment of devices</td>
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### PARAQUAD WORKFLOW

<table>
<thead>
<tr>
<th>Equipment Acquisition</th>
<th>Repair and Refurbishing</th>
<th>Matching</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obtain donated equipment by drop off or pick up</td>
<td>Clean and sanitize equipment</td>
<td>Staff OT to match mobility devices</td>
<td>Client takes home or program delivers</td>
</tr>
<tr>
<td>Triage equipment</td>
<td>Refurbish equipment using mfr-certified techs</td>
<td>Other staff trained to distribute other equipment</td>
<td>Equipment has 90 day warranty.</td>
</tr>
</tbody>
</table>
REPAIR SERVICES

- Maintains qualified technicians
  - Manufacturer trained or certified
  - Medgroup (Gold, Silver, Bronze Certifications)
- Need Medicare and Medicaid number to bill
  - Accreditation: Commission on Accreditation of Rehabilitation Facilities (CARF) and Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) from National Association of Boards of Pharmacy
    - Certified Relocation and Transition Specialist (CRTS), and
    - Assistive Technology Professional (ATP)
- Contracts with manufacturers for parts
- Insurance contracts (private)
REPAIR REIMBURSEMENT: MEDICARE

- Will only pay for the most current wheelchair the participant owns
- *Will not* pay for repair of the chair if the participant is in a nursing home or facility
- Will only pay for certain parts every six months, e.g., tires, arm pads, bearings, etc.
- Will only pay for batteries once a year
- Will not pay for any used parts or reused equipment
Reimbursement:

- Will pay for repairs to any wheelchair the participant owns.
- Will pay for repairs if they live in a facility or nursing home.
- Will only pay for certain parts every six months regardless of what chair it was put on, e.g., tires, arm pads, bearings, etc.
- Will only pay for batteries once a year.
- Will NOT pay for any used parts, or reused equipment.
BENEFITS TO CUSTOMERS

- Offers clients choice
- Provides a local service for customers of vendors whose main offices are located out of the area, and one vendor who has no repair department.
**BENEFITS TO REPAIR PROGRAM**

- Brings business to Paraquad
- Generates revenue to sustain the reuse program.
- May result in customer use of other Paraquad programs.
- Relationships with Veterans Administration and Vocational Rehabilitation
BENEFITS TO VENDORS

- If a NEW chair is more appropriate for the customer, Paraquad refers the customer to local vendors and they get additional business.
- Vendors with principal locations outside the area or without repair services can use Paraquad as the service resource for customers.
**FY 2012:**
- 239 repair sale orders
- 325 participants (reuse and repair)
- 102 reused devices distributed

**FY 2012**
- **Revenue Total:** $123,000
  - Repair: $84,000
  - Reuse: $39,500
    - MOAT grant $15,000
- **Expenses (excluding salaries and benefits):** $99,000
  - 72% for repair parts
  - 17% for services and contracts
Questions about Paraquad’s repair program?
Passing H.R. 4378

Complex Rehabilitation Technology (CRT) Separate Benefit Category (SBC) Legislation

October 30, 2012
What Is Complex Rehabilitation Technology?

- Medically necessary and **individually configured**:
  - Specialized manual and power wheelchair (WC) systems
  - Adaptive seating and positioning systems
  - Other specialized items (standers, gait trainers)
- Requires evaluation, configuring, fitting, adjustment, training, or programming
- Provided through an interdisciplinary clinical and technology team (physician, therapist, ATP)
- Designed to meet the individual's specific and unique medical, physical, and functional needs
Manual WCs - Complex vs. Standard

**Complex Manual WCs** - 6% of Medicare
- Intended for long-term use
- High adjustability
- Provides positioning
- Accommodates deformity
- Provides pressure management

**Standard Manual WCs** - 94% of Medicare
- Intended for short-term use
- Minimal to zero adjustability
- Provides NO positioning
- NO deformity accommodation
- Provides NO pressure management
Power WCs - Complex vs. Standard

- **Complex Power WCs** - 7% of Medicare
  - NOT what’s advertised on TV
  - Intended for progressive diagnoses
  - Advanced electronics and controls
  - Provides positioning
  - Accommodates deformity
  - Provides pressure management
  - Offers ventilator accommodation

- **Standard Power WCs** - 93% of Medicare
  - Intended for ambulatory limitations
  - Basic joystick drive ONLY
  - Provides NO positioning
  - NO deformity accommodation
  - Provides NO pressure management
  - NO ventilator accommodation
Why a Separate Benefit Category Is Needed

- **Access to CRT is threatened** because its differences are not recognized.
- Changes are needed (coding, coverage, payment) to fully recognize the specialized nature of CRT and the medical and functional needs of the individuals who rely on it.
- A Separate Benefit Category will **improve and protect access** within Medicare and then flow to Medicaid and other payers.
SBC Legislation – H.R. 4378

- The “Ensuring Access to Quality Complex Rehabilitation Technology Act of 2012”
- Introduced April 2012 by Ways and Means Committee member Congressman Joe Crowley (D-NY)
- Creates separate Medicare DMEPOS benefit category for CRT and improves access and safeguards
- For member questions or to sign-on, contact Nicole Cohen at Congressman Crowley’s office at 202-225-3965 or nicole.cohen@mail.house.gov
Key provisions of H.R. 4378 include:

- Creation of a separate category for CRT within the Medicare DMEPOS benefit (similar to the Orthotic and Prosthetic, or O&P, benefit)
- Recognition of specific Healthcare Common Procedure Coding System (HCPCS) codes as CRT and allowance for new CRT codes as needed
- Elimination of the in-the-home restriction for CRT
- Increasing supplier standards regarding credentialed staff and repair capabilities
- Exempting CRT from competitive bidding

Summary of Bill, text of Bill, and other info available at www.ncart.us
Now that H.R. 4378 has been introduced:

1. In the **House**: We need additional co-sponsors, especially from key committees.
2. In the **Senate**: We need a “companion bill” introduced in the Senate; then need co-sponsors.
3. We will be working with the staff of the key committees to address questions/comments.
4. We need the bill to be “officially scored” by the Congressional Budget Office (CBO) to identify cost.
5. The ultimate goal is to get H.R. 4378 attached to larger Medicare-related legislation and passed.
36 House members signed on
Bipartisan Support: 28 Democrats and 8 Republicans
Key Committees Support: 7 Ways and Means Committee Members; 3 Energy and Commerce Members
House Bipartisan Disabilities Caucus: Both Republican and Democratic Co-Chairs have signed on
For Additional Information

SBC Website

www.access2crt.org

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