

Provision cuts Medicare reimbursements for some medical equipment

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Jan. 26--Ken Williams, a retired Long Island delicatessen owner, has emphysema and uses oxygen equipment to help him breathe.

Right now, Medicare reimburses Williams about \$200 a month to rent the oxygen equipment that regulates his breathing.

But that arrangement could soon change for Williams and thousands of respiratory patients in the metropolitan area.

Williams, who lives in Lake Grove on disability payments of \$800 a month, is worried that he might have to start spending his own money to keep his oxygen concentrator in working order.

The reason for Williams' concern is a provision tucked into a bill called the Deficit Reduction Act of 2005.

The provision would change Medicare reimbursements for certain medical equipment like oxygen concentrators and wheelchairs; it is the oxygen portion of the bill that has become controversial. The proposed reimbursement changes have both medical equipment suppliers and respiratory patients concerned about its possible financial impact.

Medicare currently pays for patients to rent oxygen equipment for as long as they need it. But under the budget bill, patients would own respiratory equipment after renting it for 36 months, and Medicare rental payments would then stop.

Rep. Bill Thomas (R-Calif.), chairman of the House Ways and Means committee, was responsible for including the Medicare provision in the bill. A committee summary indicates the provision will save money because the average price for an oxygen concentrator is only about \$1,000.

But medical equipment suppliers on Long Island warn that although the bill states patients will receive maintenance payments from Medicare if the services rendered are "reasonable and necessary," it's unclear what will be covered.

Patients could end up having to pay some maintenance costs previously included in rental fees, the suppliers say.

"I'm just getting by financially," Williams said. "If I have to pay for a guy to come in here and fix this there's no way I could do it."

Maintenance of oxygen equipment is crucial; filters and tubing must be changed often to ensure that patients can breathe properly and that nothing obstructs the machines. And patients must have access to emergency service 24 hours a day in case a malfunctioning machine affects their breathing.

And, of course, equipment suppliers would also feel the impact -- they would lose rental payments as patients assume ownership of oxygen machines. That could lead suppliers to increase the prices they charge patients for maintenance to make up for the lost rental income, some suppliers said.

"You have to be able to provide the service and stay in business," said Joseph Coticchio, a co-owner of Hampton Homecare in Hauppauge, which rents oxygen equipment to about 250 Long Island customers. Coticchio estimates there are about 10,000 local users of home oxygen equipment.

"If they just pay us \$40 for a visit, that's not enough," Coticchio said. "We're on call 24 / 7 for oxygen patients in case of emergencies."

Thomas Ryan, owner of Homecare Concepts medical equipment company in Farmingdale and chairman of the American Association for Homecare in Alexandria, Va., agreed.

"The industry didn't have any input into this," Ryan said. "It's going to take revenue away from the business. I'm concerned about losing revenue, but I think the burden will be on the beneficiary [the patient]."

The association has been lobbying Congress to defeat the budget bill.

The industry estimates that about 910,000 home oxygen patients were subsidized by Medicare in 2004. Home oxygen costs taxpayers about \$2.6 billion a year -- less than 1 percent of all Medicare expenditures.

Evelyn Crawford, 69, of Rocky Point, says she's concerned that she might have to start paying some maintenance costs for her oxygen concentrator.

Crawford changes filters on her oxygen concentrator every other day and has monthly visits from Coticchio's company, which changes the tubing for her.

"We don't know exactly what the cost is," Crawford said. "Keeping the tubing fresh is very important."

Michael Reinemer, a spokesman for the American Association for Homecare, calls the proposed change in Medicare payments "bad health care policy."

"It transfers too much burden and uncertainty to the Medicare users of medical oxygen, which is a prescription drug," Reinemer said. "Home oxygen [rather than hospital stays] is part of the solution to the Medicare crisis."

Rep. Carolyn McCarthy (D-Mineola) opposes the proposed Medicare changes.

"The provision slipped into the reconciliation bill is wrong on many levels," McCarthy said. "Seniors will also risk losing the technical support provided by rental companies when it comes to operating and maintaining this often complicated equipment."

And Rep. Steve Israel (D-Huntington), who said he plans to vote against the budget bill said, "Forcing a chronically ill patient to purchase rather than rent their oxygen equipment is unfair and dangerous. I've been hearing from a number of worried constituents about this issue, and that's why I will be urging my House colleagues next week to vote against this ill-advised provision."

The House of Representatives is expected to vote on the budget bill next week.