

WHO'S GONNA PAY FOR THAT?: DURABLE MEDICAL EQUIPMENT AND HEALTH CARE REFORM

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Definition of Durable Medical Equipment (DME)

DME is covered under Part B as a medical or other health service (§1861(s)(6) of the Social Security Act [the Act]) and is equipment that:

- a. Can withstand repeated use;
- b. Is primarily and customarily used to serve a medical purpose;
- c. Generally is not useful to a person in the absence of an illness or injury; and
- **d. Is appropriate for use in the home.**

All requirements of the definition must be met before an item can be considered durable medical equipment.

(Medicare Claims Manual definition)

The Medicare definition of DME is useful because many insurance companies base their policies on this definition.

DME includes the following:

- Walkers
- Canes
- Manual wheelchairs
- Power wheelchairs
- Hospital beds
- Lifts

The part of the definition that can be problematic – particularly for working adults with disabilities is “appropriate for use in the home”.

The equipment you need versus what they want to give you, based on the “in-home use” definition...

Because of the “in-home use” criterion, the starting point, for both public and private insurance is something like this for a powered mobility aid:

This would be woefully inadequate for my use.



I need something more like this:



Or even better, this:



Let's look at price tags. I obtained these prices off the internet, from websites I've purchased equipment from in the past.

At Spinlife.com, this would cost \$649
– including shipping; no sales tax.
The “list” price, which is what a vendor would charge your insurance or Medicare, is \$1,395.

Neither Medicare nor insurance will reimburse me if I buy it out-of-pocket (even if I have a doctor's prescription for the device) -- their rules require that it be purchased from an “approved” vendor.

So – their own system ensures that it will cost twice as much, and their goal is to avoid paying if at all possible.



The power chair that enables me to work, particularly at Stanford, and the break down:

This is a Quickie P222, which is the model of the last chair I had; my insurance wouldn't cover the cost of a new one, when it was time to replace the old one – even though they had paid for the first one in full without argument.

At today's prices, at PlanetMobility.com, this chair is \$6495, with a "list price" of \$8495 (with "options" I would want on the chair, the actual price would probably be about \$1000 more).

Since I got my old P222 in 2002, my insurance instituted a \$5000 annual cap on my group's DME coverage. So, if I managed to get the chair approved, I would still be out-of-pocket for any amount over \$5000 – but I still wouldn't be able to buy it online at the lower price.



My not-so-farfetched “conspiracy” theories:

- Like the pharmaceutical industry, the medical device industry has lobbied to get these various rules put in place which discourage getting the best value for one’s DME dollar
- The “medicalization” of disability creates this idea that since the disabled person is unlikely to be a contributing, working member of the economy, so why would there be a public policy interest in buying the appropriate equipment – beyond a subsistence level of being able to get around the house
- Further, it is based on a model of the disabled person as elderly, non-working and lucky to be given assistance to get around inside their own home

These attitudes lead to these outcomes:

- In the case of both public and private insurance, the first response to almost any request is a denial – you need to be prepared to appeal even before you make the initial request
- My personal experience is that my doctor is either unwilling or unable to advocate for me in any way regarding my DME needs (although he did say he thought I was an excellent self-advocate)
- You can't assume that even after they've conceded and paid for the wheelchair – you still have to fight to get regular maintenance done on it

So what does that have to do with us, you may ask?

- Without raining on anyone's innovative impulse parade, I do want to make sure that, if you are developing a medical device – something that may be marketed as DME, that you are thinking about the cost to the eventual user, and who will bear that cost
- I also want you to be smart consumers of DME – either for yourself, or your family and friends
- Sometimes, a life circumstance arises, and you just need to get a walker or a wheelchair as quickly as possible – but if you have time to weigh out-of-pocket options vs. covered expenses vs. the actual need of the person, you may arrive at different conclusions at different times in your life