



**American Orthotic &
Prosthetic Association**

AOPA URGES CONGRESS TO EXCLUDE ORTHOTIC SERVICES FROM THE MEDICARE SKILLED NURSING FACILITY PROSPECTIVE PAYMENT SYSTEM

AOPA urges Congress to exclude orthotic services from the consolidated billing requirements of the Medicare Skilled Nursing Facility Prospective Payment System (SNF PPS) payment methodology. This legislative adjustment would permit orthotists to be reimbursed separately from the PPS rate, and paid according to the established Medicare Part B orthotic and prosthetic fee schedule for orthotic services provided in the SNF setting. Such a change can be made budget neutral by appropriately adjusting the SNF Resource Utilization Group (RUG) payments to account for the exclusion of orthotic services.

Reason for Change

Over the past several years orthotic and prosthetic practitioners have catalogued a number of ongoing problems within the consolidated billing requirements of the SNF PPS that have resulted in patients being denied the prescribed orthotic care they need for treatment. When prescribed orthotic care is delayed or denied, patient care is negatively impacted – leading to higher long-term treatment costs and sometimes permanent medical damage.

Controlling costs to the detriment of patients

The original intent of the SNF PPS was to create a financial incentive to control costs. For instance, if a SNF was able to provide care for less than the Medicare payment rate, the facility would be able to retain any excess of Medicare payments over costs. If the cost of care exceed Medicare's payment rate, a SNF would be required to absorb those costs greater than payments.

However, SNFs have been controlling costs to the patient's detriment by:

- Denying the provision of prescribed orthotic devices;
- Asking the orthotic and prosthetic (O&P) practitioner to alter the delivery date of the orthotic device so that the practitioner can bill Medicare Part B directly;
- Substituting a lesser quality device than the one called for by the physician's prescription;
- Refusing to provide the O&P practitioner with a purchase order after learning how much the device will cost; or
- Declining to admit patients in need of orthotic services.

Documented Problems with the Delivery of Orthotic Services in SNFs

Below are a number of documented examples where O&P practitioners have witnessed the degradation of patient care under the current SNF PPS system:

- In **Connecticut**, a patient was admitted to a Medicare skilled nursing facility on 10/26/02 and required a custom fabricated ankle-foot orthosis. The SNF contacted an orthotic facility for a patient evaluation. The orthotist obtained the prescription from the physician but the SNF would not issue a purchase order for the device. The orthotic facility staff were told that under no circumstances can the device be delivered before 2/3/03, because that is when the patient would be eligible for Medicare Part B and the device could be billed directly to Medicare Part B.
- An orthotic facility in **Connecticut** was contacted on 6/7/02 to evaluate a patient in a Medicare Skilled Nursing Facility for a patient in need of a custom-hinged ankle-foot orthosis. The physician provided a prescription for this device on 6/14/02. The orthotist was told not to come back to the SNF for this patient until 8/12/02 because the patient would not need the orthosis prior to that date. The ankle-foot orthosis was delivered by the orthotist on 9/03/02. After the orthotist reviewed the patient's fact sheet from the SNF, it was clear that that the patient was eligible for Medicare Part A when the prescription was written on 6/14/02 but did not become eligible for Medicare Part B until 8/12/02.
- A Medicare patient in **Connecticut** was admitted to a SNF on 10/18/02. On 11/19/02, SNF staff called an orthotist to evaluate a patient for a custom articulating ankle-foot orthosis. The SNF would not issue a purchase order and suggested that the orthotist make it and deliver it to the patient after the patient was discharged. On 12/24/02 the physician's prescription was faxed to the orthotist from the SNF but a purchase order was still not given. On 1/15/03, the orthotist was called by the SNF to cast the patient and was told it could be delivered in a few weeks because that would be when "the patient would be ready to use it." The orthotist was called on 2/24/03 to deliver the device. The patient was no longer eligible for Medicare Part A and the orthotist could provide the device and bill Medicare Part B.
- An orthotic and prosthetic practitioner in **New Jersey** told AOPA that several Medicare skilled nursing facilities in the state has "scouts" that perform preadmission screening in the hospital setting. For example, if an in-patient requires a knee-ankle-foot orthosis, the SNF will attempt to have the patient sent home to have the prescribed device delivered before the patient is admitted to the SNF. That way, the practitioner can bill Medicare Part B. In other cases, the SNF will simply not admit the patient in need of expensive orthotic services because the SNF will be financial responsible for providing the orthosis.
- On 10/26/01, 1/24/02, 5/3/02, 6/19/02, 7/16/02, 8/5/02, 9/25/02, 10/4/02 and 11/23/02 an orthotic facility in **Connecticut** provided patients in Medicare skilled nursing facilities with orthoses. Each orthoses was authorized by the SNF with purchase orders. As of 2/28/03, invoices for each of these orthoses have not been paid. Each month a new invoice is sent to the SNFs. Phone calls have been made to the SNFs seeking payment. These calls have either not been returned or the orthotic facility staff is told by the SNF staff that the facility should not been issued the purchase order.

- An O&P facility in **Montgomery, AL** receives calls from SNFs to provide orthotic services to patients only when they are about to be discharged. On one occasion, when a practitioner was called in to evaluate a patient for an orthotic device, the Medicare patient was wearing a prefabricated brace. The SNF instructed the practitioner to provide a custom-fabricated brace to be delivered only when the patient returned home. This arrangement permits the orthotist to bill Medicare Part B directly.
- An orthotic and prosthetic facility in **California** was contacted by a physical therapist employed by a SNF for the provision of a knee brace. When the physical therapist learned that the patient would not be discharged from the SNF soon but would still require the brace, the PT said that she “would have to fight for this one” and did not think the administrators of the SNF would approve it. However, the device was an integral part to the patient treatment. The PT commented that the patient had the worst case of valgus she had ever seen and that her progress with therapy would be contingent on her receiving the proper device. The patient did not receive the device during the skilled nursing home stay.
- A facility in **Greenville, PA** received an order from a hospital for a hip-knee-ankle-foot orthosis (HKAFO). While the device was being fabricated, the patient was discharged to a SNF prior to receiving the brace. When the practitioner contacted the SNF to provide the brace, the SNF refused to have the patient fit with the HKAFO. The brace was never provided to the patient by this practitioner.
- A facility in **Florida** received an authorization from a SNF to provide a custom-fabricated knee-ankle-foot orthosis (\$3,264). The O&P facility received verbal authorization from a SNF employee on 7/26/02. The device was provided to the patient on 7/27/02. On 7/31/02, the SNF administrator called the O&P facility to ask who had authorized the brace. SNF administrator said the device was not authorized and that the employee who provided verbal authorization was not able to make such a decision.

Since the brace was fitted to the patient, the SNF told the O&P facility to bill the patient’s guardian for the price of the orthotic device. This is an illegal practice. The facility has sent numerous correspondence and even Medicare regulations illustrating the SNF’s responsibility for payment of this device. As of 2/21/03, the facility has not been paid for its service.

- A hospital in **Chicago, IL** with designated SNF beds now has refused to provide practitioners with purchase orders for all orthotic and prosthetic services. The hospital practice manager has stated that the SNF loses money and cannot afford to provide these devices.
- On March 26, 2002, a hospital in **Kansas** with designated SNF beds denied giving a practitioner a purchase order for a patient in need of a thoracic-lumbar-sacral orthosis (TLSO) (HCPCS L0360) even though the orthotic and prosthetic facility had a contract to provide SNF patients with orthotic devices. The reimbursement rate of the TLSO was \$1331.64. While the patient was given the prescribed device, the O&P facility has not received any payment even after repeated efforts to educate the SNF about its financial responsibility.
- Two SNFs in **Louisville, KY** have refused to provide purchase orders to an O&P facility for prescribed orthotic devices. It is not known whether patients are receiving the appropriate orthotic devices prescribed by physicians or physical therapists.