New York Chapter of the American Academy of Orthotists & Prosthetists
Vulnerable Populations Medicaid Access Proposal

SUMMARY

There are 3 overlapping factors impacting access to orthotic & prosthetic (O&P) care for those with NY Medicaid insurances. 1. Existing NY law authorizes the Medicaid program to reimburse "prosthetic and orthotic devices" at a rate that must not exceed the lower of the price as shown in the NYS Medicaid DME Services Fee Schedule or the usual and customary price charged to the general public. Reimbursement of items with no price listed in the fee schedule must not exceed the lower of the acquisition cost (by invoice to the provider) plus 50% or the usual and customary price charged to the general public.[1] These devices are prescribed by a qualified practitioner to meet the medical equipment needs of Medicaid enrollees. NY Medicaid reimbursement for these devices has been relatively fixed at rates set in 1987. These rates have not kept pace with Medicare reimbursement rates. On average, NY Medicaid currently reimburse at 67 percent of the prevailing Medicare reimbursement which is lower than the 75 percent national average. 2. There are roughly 80 codes for orthotic and prosthetic technologies that are not listed on the NY Medicaid fee schedule. This means such technologies are not available for those with NY Medicaid or Managed NY Medicaid insurances unless they are paying out-of-pocket. 3. Managed Medicaid insurances further reduce NY Medicaid fee schedule rates and charge administrative fees. This additional reductions make serving those members difficult given inflation of costs for materials, labor as well as progression of orthotic & prosthetic technology since the 1987 rates upon which NY Medicaid reimbursement is based. These 3 factors are creating challenges for providers which in turn cause delays for New Yorkers receiving care, the need to travel further to access O&P services or are not being able to receive the latest technologies: NYSAAOP seeks to explore improving access to care and quality of life for Medicaid beneficiaries by increasing the reimbursement for these O&P devices to a level that is at or close to 100% of prevailing Medicare allowable rates.

BACKGROUND

Certified Orthotists and Prosthetists are medical professionals who have specialized training to assess the mobility and functional needs of patients. They cast, modify and fit orthotic & prosthetic devices collaborating with prescribing licensed healthcare providers (i.e. physician, surgeon, nurse practitioner or podiatrist). These devices are worn by the patient to replace (prosthetics) or assist the functioning of a natural part of the human body (orthotics).[2] Reimbursement for the skilled services and devices rendered by these medical professions is facilitated using L-codes, which are billed at delivery and include the device, its fabrication and ongoing follow-up care.

PROBLEM

Most orthotic and prosthetic users have chronic conditions, (i.e., missing or amputated limb), that require they wear an Orthotic or Prosthetic device on a daily basis. These users rely on their prosthesis or orthosis to optimize their ability to participate in activities of daily living. Stagnant NY Medicaid O&P rates along with inflation's impact on operating costs and labor has caused roughly 30 O&P practices to close across NY over the past decade and remaining businesses to limit staffing in order to keep their doors open, which impacts all New Yorker's access to timely care regardless of insurance carrier. As with other health care services, the cost of materials, labor, equipment, and utilities needed to fabricate and dispense these products have increased substantially. In many cases, the current Medicaid rates are below the actual cost of making and fitting the device, let alone compensating for follow-up care that is often necessary. As such, Medicaid is no longer accepted by an increasing number of O&P practitioners throughout New York. These Medicaid enrollees are sometimes left with no choice but to utilize used devices or obsolete technology, rely solely on crutches or a wheelchair for mobility, or continue using ill-fitting devices which can lead to safety concerns.

Considering that the national average Medicaid reimbursement is 75% of the prevailing Medicare allowable, it is surprising and regrettable that the New York Medicaid rate is only 67% of the Medicare allowable. Decades of underfunding has reduced Medicaid patients' access to O&P care and devices (i.e. limbs, braces, and others) that can positively impact their health and ability to live a full and productive life.

Without a long-overdue increase to Medicaid reimbursement for O&P care, these vulnerable patients (i.e. amputees, children, seniors and employed workers) will experience even less access to beneficial technologies, which will result in worsening conditions that increase utilization of physician and hospital services and decrease positive contributions to local communities/economies.

SOLUTION AND CONCLUSION

NYSAAOP strongly believes that exploring an increase in O&P Medicaid reimbursement rates closer to 100% of the prevailing Medicare rate is warranted considering the current rates in NY are among the lowest in the country for O&P devices. This long overdue increase will ensure Medicaid patients suffering from disease, debilitating injuries or birth defects will benefit from improved access to critical O&P care, leading to more independent, productive lives while at the same time decreasing the impact of more expensive care and services on the Medicaid Program.

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[1] Title: Section 505.5(d)(1)(4)

[2] Title: Section 505.5(a)(4)(5)