



STATE OF DELAWARE
STATE COUNCIL FOR PERSONS WITH DISABILITIES
MARGARET M. O'NEILL BUILDING
410 FEDERAL STREET, SUITE 1
DOVER, DE 19901

VOICE: (302) 739-3620
TTY/TDD: (302) 739-3699
FAX: (302) 739-6704

MEMORANDUM

DATE: October 29, 2010

TO: Ms. Sharon L. Summers, DMMA
Planning & Policy Development Unit

FROM: Daniese McMullin-Powell, Chairperson
State Council for Persons with Disabilities

RE: 14 DE Reg. 244 [DMMA Proposed Medicaid Durable Medical Equipment
Ownership Regulation]

The State Council for Persons with Disabilities (SCPD) has reviewed the Department of Health and Social Services/Division of Medicaid and Medical Assistance's (DMMA's) proposal to amend its regulation regarding durable medical equipment (DME) published as 14 DE Reg. 244 in the October 1, 2010 issue of the Register of Regulations.

As background, other states have implemented assistive technology/durable medical equipment "reuse" programs. Attached please find a Powerpoint outline describing the Kansas program. It notes that there is a high national rate of abandonment of AT/DME. In addition, legislators were concerned that Medicaid-purchased AT/DME was being sold at yard sales, and considerable cost savings resulted from adopting a system of recycling Medicaid-supplied AT/DME.

Delaware's Center for Disabilities Studies (CDS) and DMMA are now developing a similar system in Delaware. The regulation provides the following information:

Current DMMA policy assigns ownership of equipment purchased by DMMA to the client. The proposed revision would assign ownership of certain specified DME to DMMA. When the equipment is no longer needed, it will be recovered by CDS. CDS will assess and refurbish, if appropriate. A new customer service component will also be established to periodically evaluate the effectiveness of equipment in meeting the needs of the beneficiary. DMMA customers will also have the option of accepting refurbished equipment, when available, at a reduced cost to the state.

At 244.

CDS is soliciting providers to support this new initiative.

In response to my inquiry, CDS informally shared supplemental information on September 30. The following is a summary of the supplemental information:

A. The CDS/DMMA project is supported by an RSA model demonstration project grant. A stakeholder group comprised of state agencies, DME vendors, service providers and individuals with disabilities has been meeting for a few years to reach consensus on the model. The plan is to contract with one or more qualified vendors to conduct the reclamation, sanitization, refurbishment, and repair.

B. Health and safety is a key concern. Individuals could be hurt by “mismatched” DME or malfunctioning DME. Therefore, if a prescription is generally needed to obtain a particular piece of equipment, a prescription will be required to obtain equipment through this project to ensure the features match the individual’s needs. Only lightly-used equipment will be processed and restored to “like-new” condition. Some types of equipment will not be processed due to hygiene issues.

C. DMMA is not restricting access to reclaimed equipment to Medicaid beneficiaries, but Medicaid will have the option of procuring equipment at costs far less than retail from the reuse inventory. CDS plans, under DMMA contract, to adopt a customer-service role in which Medicaid beneficiaries provided with DME will be contacted to assess whether the equipment is meeting their needs. If the equipment is no longer needed, or the beneficiary has passed away, the equipment will be retrieved and, if appropriate, refurbished for use by others.

D. The program is viewed as a means of leveraging resources. The CDS is aware of Medicaid beneficiaries or their families selling DMMA-purchased DME on Craig’s List or DATI’s AT Exchange soon after delivery. This project should reduce the incidence of such sales and facilitate access to DME by uninsured and underinsured persons.

E. As part of the project, Paul Solano, a University of Delaware economist, will conduct a cost/benefit analysis to provide comprehensive data about the return on the reuse investment. This analysis would be of use both locally and nationally.

The proposed regulation represents a “first step” towards DMMA implementation of the reuse program. The current regulation grants ownership of DME purchased through Medicaid to the beneficiary. The new regulation “carves out” certain forms of Medicaid-purchased DME which will be “owned” by DMMA. It would then be subject to retrieval and recycling when the beneficiary no longer needs the device.

From a consumer perspective, there are pros and cons to the initiative.

On the negative side, query whether beneficiaries will be subject to State claims if State-owned equipment is lost or damaged, even through no fault of the beneficiary. Some of the listed DME is also so inexpensive and/or subject to wear and tear (e.g. car seats) that sanitizing and refurbishing may be of questionable cost effectiveness.

On the positive side, the reuse program should ultimately save DHSS money, promote recycling, and facilitate trial access to equipment. The Kansas model included receiving donations of equipment from the public with positive results.

Balancing the competing interests, SCPD endorses the proposed regulation subject to DMMA considering the following.

First, since Medicaid is the payor of last resort, SCPD assumes there are situations in which a third party (e.g. insurer) has partially paid (e.g. 80%) for equipment and DMMA has paid a remaining balance (e.g. 20%). Under those circumstances, query whether it is equitable for DMMA to assume full ownership of the equipment.

Second, DMMA should consider the extent of the beneficiary's liability for lost or damaged equipment owned by the State. If the beneficiary exercises reasonable care, it would be inappropriate to penalize the beneficiary for loss or damage. The beneficiary should not be treated as an "insurer" of the equipment.

Thank you for your consideration and please contact SCPD if you have any questions or comments regarding our position, observations or recommendations on the proposed regulation.

cc: Ms. Rosanne Mahaney
Ms. Beth Mineo, Ph.D.
Mr. Brian Hartman, Esq.
Governor's Advisory Council for Exceptional Citizens
Developmental Disabilities Council

14reg244 dmma-reuse 10-10

1 

KEE – The Kansas Equipment Reuse Program

Sara Sack, Ph.D.

University of Kansas

Director, ATK & KEE

2 

Overview of KEE

- Refurbishment program
- Full range of durable medical equipment (DME)
- Statewide
- Five AT Access Sites serve as distribution centers
- Give away
- All persons with disabilities and chronic health conditions, Medicaid beneficiaries & eligibles are prioritized

3 

How did KEE get started?

- Legislators were concerned about equipment at yard sales
- State budget was being reviewed during a tightening economy
- Intensive review of the proposed DME budget (approximately \$11 million)
- Ongoing relationship between Health Care Policy and State Tech Program (ATK)

4 

How did KEE get started?

- Health Care Policy (Kansas Medicaid) and ATK discussions resulted in a NIDRR Field Initiated grant application
- Received \$449,478 to develop a statewide cost-neutral DME reutilization program from October 2001 – September 2004

5 

How is KEE funded?

- Health Care Policy, Department of Administration and the University of Kansas, ATK's lead agency
 - Title XIX funds
 - \$449,264 (1:1 state to federal match)

6 

How was KEE designed?

- Numerous discussions between consumers, DME providers, ATK Advisory Council and staff from Health Care Policy and ATK
 - Developed agreed upon quality indicators

7 

Kansas Version of Quality Indicators

- Redistribute quality equipment
 - Sanitized, repaired and refurbished if needed
 - Qualified vendors who back their work are paid to refurbish

8 

- All consumers should have equal access to DME regardless of geography, income, disability and health conditions, and type of DME needed
 - Regional distribution centers
- Access to DME is essential to quality of life and influences consumers' perceptions regarding safety, home and family relationships, and community involvement
 - Timely access but not an urgent care program
 - Inventory turn around within 90 days

9 

- Commitment to establishing a program that can be sustained over time
 - Must prove that the program is cost effective, or at the least, cost neutral for agencies to continue to participate
 - DME of sufficient value to warrant tracking and refurbishment
 - » Items such as wheelchairs (manual and power), scooters, hospital beds, communication devices, lifts, lift chairs, specialized strollers, etc.)
- Reduce transportation barriers that limit consumers' access to assistive technology
 - Use staff and volunteers from disability and nondisability organizations to pick up and deliver equipment
 - Paid DME providers to deliver equipment
 - Hired couriers to pickup and deliver equipment

10 

- Increase the probability that AT/DME is used by the original consumer or another consumer
 - High national rates of abandonment not acceptable
 - Employ specific strategies to decrease possibility of abandonment
 - » Link consumer to the DME provider for maintenance, repair, or reassessment
 - » Link consumer to the Tech Act Program staff for additional demonstration and training
 - If equipment is not being used, pick it up for reassignment
- General public readily views use of DME as a solution
 - Involve nondisability partners in volunteer regional networks

11 

12  How does KEE work?

- How does KEE obtain inventory?
 - Track Medicaid equipment and bring it back into the program when it is no longer in use
 - Conduct public awareness campaign to obtain donated equipment
- How do customers donate or request equipment?
 - Call their regional AT Access Site using the toll-free number
 - AT Access Site staff enter consumer and equipment records into database
 - Staff arrange for pick up of donated items
 - Staff look for equipment to match consumer's needs and arrange for delivery

13  What happens to equipment?

14  What resources are needed to operate KEE?

■ Overall Staff

- Donated time of ATK Project Director
- 1 FTE Coordinator
- Average of 20 hours per week at each of the 5 AT Access Sites
- Network team volunteers (may be reimbursed for time, mileage, etc.)

15 

■ Coordinator responsibilities

- Build equipment inventory
 - » Work with vendors to enter equipment into tracking system
 - » Conduct one and seven month follow-up calls
- Coordinate public awareness activities
- Work with subcontractors to help them solve problems they've identified in their region

16 

- Review all program data including consumer satisfaction to identify trends
 - » Quality assurance
 - » Timeliness
 - » Cost efficacy
- Compile and submit reports

17 

■ Subcontractor responsibilities

- Develop and maintain diverse network team
- Train network team
- Match available equipment to consumers' needs
- Coordinate pick up and delivery of equipment
- Promote the program in their region

18 

■ Routinely address liability concerns

- Maintain an adequate refurbishment budget
- Use certified vendors to refurbish
- Train staff and volunteers (sanitization, maintenance, pick up and delivery practices)
- Match skills to task and employ safety practices
- Use local consultants to match certain categories of equipment (gait trainers, standers, CPAPs, Bipaps, feeding pumps)
- Disclaimer on the website and on the delivery form

- 19  **Consumer Requests**
- 431 individuals requested equipment in Year 1
 - 631 individuals requested equipment in Year 2
 - 706 individuals requested equipment in the first 9 months of Year 3
- 20  **Program Outcomes**
- 21  **DME Reassignments**
- 127 items reassigned in Year 1
 - 269 items reassigned in Year 2
 - 403 items reassigned in the first 9 months of Year 3
- 22  **Program Outcomes**
- 23  **Donations**
- 275 items donated in Year 1
 - 338 items donated in Year 2
 - 518 items donated in the first 9 months of Year 3
 - Only 70 items (6%) were originally purchased by Medicaid
- 24  **Program Outcomes**
- 25  **Value of Reassignments**
- Items worth \$183,941 were reassigned in Year 1
 - Items worth \$320,045 were reassigned in Year 2
 - Items worth \$395,073 were reassigned in the first 9 months of Year 3
- 26  **Program Outcomes**
- 27  **Value of Donations**
- Items worth \$325,568 were donated in Year 1
 - Items worth \$384,054 were donated in Year 2
 - Items worth \$511,015 were donated in the first 9 months of Year 3
- 28  **Program Outcomes**
- 29  **What roles do KEE's partners play?**
- DME providers are champions of KEE
 - Provide valuable knowledge of the inventory

Questions?

For more information contact: Sara Sack, University of Kansas, 620-421-8367 or ssack@ku.edu