

History of Cuts to Home Medical Equipment Reimbursement

- 1997 Balanced Budget Act of 1997 (BBA)**
30% reduction in Home Oxygen Therapy reimbursement, 25% effective January 1998 & 5% in 1999 along with CPI freezes
- 2003 Medicare Modernization Act of 2003 (MMA)**
\$7 billion reduction in Home Medical (HME) over 10 years
>8% reduction in HME reimbursement as it required Centers for Medicare & Medicaid Services (CMS) adjust HME rates to the *median* prices paid in the Federal Employees Health Benefits Program
5 year freeze to consumer price index for HME
- 2005 Deficit Reduction Act (DRA)**
\$500 million reduction in Home Oxygen Therapy reimbursement by capping rental periods starting 2009
Reduced rental period on certain HME
- 2008 Medicare Improvements for Patients & Providers Act of 2008 (MIPPA)**
\$3-4 billion (9.5%) reduction in HME reimbursement nationwide
Required the implementation of a Competitive Bidding program for select HME
- 2010 Patient Protection & Affordable Care Act of 2010 (ACA)**
\$6-8 billion reduction in HME reimbursement over 10 years by accelerating the Competitive Bidding program, eliminating the first-month purchase option for standard power wheelchairs, and eliminating a 2% increase scheduled for 2014
- 2011 Competitive Bidding Program: Round 1 ReBid**
\$8.4 billion (32%) reduction over 3 years in select HME in nine metropolitan areas starting January 2011
- 2013 Competitive Bidding Program: Round 2**
\$12.84 billion (45%) reduction over 3 years in select HME in 100 metropolitan areas starting July 2013
72% reduction over 3 years in diabetic testing supplies nationwide starting July 2013
- 2014 Competitive Bidding Program: Round 1 ReCompete**
\$12.9 billion (37%) reduction over 3 years in select HME in nine metropolitan areas starting January 2014
- 2014 Competitive Bidding Program: Nationwide Expansion**
\$4.4 billion reduction over 5 years in select HME nationwide starting January 2016
- 2015 Competitive Bidding Prices for Complex Rehab Technology Accessories**
Up to 40% reduction for Complex Rehab Technology wheelchair components ("accessories") starting January 2016
- 2015 CMS Notice on Web site: Changing Codes & Reimbursement for Ventilators**
33.5% reduction on positive pressure support and volume ventilators starting January 2016

- 2015 Omnibus Bill**
\$4.3 billion reduction over 10 years in HME reimbursement in state Medicaid programs by limiting the federal portion of Medicaid funding to the Competitive Bidding rates for Medicare starting 2019 per OMB
- 2016 21st Century CURES Act**
\$370 million reduction over 1 year in advancing Medicaid cuts for impacted HME products
\$45 million increase over 6 months in extending the 50/50 blended transition period for non-bid areas in the nationwide expansion of Competitive Bidding; temporary relief expired December 31, 2016.
- 2017 TRICARE Cuts to HME**
30-60% reduction on select HME driven by Medicare reimbursement changes to which TRICARE is statutorily tied
- 2017 Home Oxygen Therapy “Double Dip”**
9% less on average in reimbursement for stationary concentrators in non-rural areas compared to CBA rates due to the application of 2006 budget neutrality regulation
- 2018 Interim Final Rule for Competitive Bidding**
\$360 million increase over 7 months in reimbursement in extending the 50/50 blended transition period for “rural” and “non-contiguous” non-bid areas in the nationwide expansion of Competitive Bidding; temporary relief expires December 31, 2018.