



The Home Medical Equipment and Services Association of New England (HOMES) is submitting public comments regarding Rate Setting Changes implemented March 1, 2023, for the Durable Medical Equipment Fee Schedules. It is our understanding that these rates in general represent a reduction in rates of 2% from the October 2022 Medicare Fee Schedule, as the January 1, 2023 fee schedule had not been released at the time of the SPA decision-making.

Our objections regarding the adjustment to the state plan are as follow:

- Insufficient notice of rate adjustment, including implementation prior to deadline for public comment.
 - Decision to change rates was made prior to December 31, 2022, as comment in plan proposal indicates that rates were being based upon October 2022 Medicare rates, as new Medicare rates were available on or about December 15, 2022. Notice was not provided to DME providers until the DME stakeholder meeting February 14th.
 - State Plan Proposed Amendment was posted to the Global Commitment Register February 15, 2023. However, this is listed as a 2022 proposed policy – GRC 22-126.
 - Accordingly, no comments will be considered, which appears to violate the regulation of public comments and responses to public comment. While the state seems to retain a loose authority to change rates belonging to a class as part of Waiver Authority #5 [Section 1902(a)(13), 1902(a)(30)], Special Term and Condition #6.8, we believe that this does not meet the intent of this regulation. If incorrect, we request clarification of the authority to implement prior to public comments.
- While this document was not published until February 15th, the document states that at the time of this change, the latest Medicare rate change was from October 2022. We question the decision to utilize the October 2022 fee schedule, as we believe that the department should have been aware of the intent of CMS to increase DME rates in response to the impacts of the PHE and continued impacts of supply chain challenges. Regardless, the unintended consequence may be fewer DME providers and/or fewer DME providers with the ability to carry certain products due to rate reductions. Providers have been making the case throughout New England about the increased costs associated with providing DME. The areas impacted include, but are not limited to:
 - Cost of products from distributors and manufacturers.
 - The cost to purchase DME has increased considerably since 2019.
 - The cost of freight from distributors and manufacturers has increased by more than 10% and can exceed the cost of the product in some cases.
 - Surcharges on a per item basis existed during the height of the PHE frequently exceeded cost of the item.
 - Shipping and delivery costs have increased exceptionally during the last several years. USPS, FedEx, UPS, etc., regularly have announced rate increases. Further, fuel costs have been much higher than previously.



- Labor costs have also increased considerably. DME labor occurs in areas including, but not limited to:
 - Intake – receiving an order for DME either in person, via electronic means, or via phone. Entering initial information into billing software.
 - Validation and Documentation – Insurance verification and confirmation with patient of desire to receive product.
 - Product procurement – product needs to be ordered to be shipped directly from the manufacturer or to be stocked in the warehouse of the DME provider.
 - Delivery – If necessary, delivery and/or setup or instruction for DME picked up in the Provider's location. This can take significant time, depending upon the customer and/or the location of the customer. For larger products, such as lift chairs, this often requires two technicians.
 - Billing – Signed documentation and/or proof of delivery needs to be documented and billing to occur. Documents are generally scanned and filed into a system.
 - Payment posting – payments and/or adjustments/denials are posted, and, if not paid appropriately, researched, corrected, and/or rebilled.

Whether these tasks are done internally, or outsourced in part or whole, each task is part of the process and is part of what should be included in the reimbursement for the item.

- Original Global Commitment Register notation is GCR 22-126. This indicates that this information was developed prior to the end of the year. However, at the DVHA DMEPOS meeting of 11/08/2022, there was no mention of these changes. HOMES requests information as to the date of the submission/preparation of GCR 22-126, as GCR 22-125 had a comment period beginning 12/15/2022. CMS released the Medicare fee schedule on or before 12/13/2022. A provider inquired about the fee schedule December 12, 2022, to which Jennifer Rotblatt's reply of December 16th disregarded the question. No reply was received until 1/3/2023, at which time the statement was made that:

The fee schedule will be updated soon to reflect the changes that were made on 1/1/23: <https://dvha.vermont.gov/providers/codesfee-schedules>.

Nowhere is there an acknowledgement of additional cuts to come to providers effective 3/1/2022.

In addition to these comments, included is significant documentation, all of which CMS considered in response to rates for DME.

HOMES sends these comments in good faith representing providers. We ask that we receive good faith responses to each comment. We appreciate that we have been able to work together to care for Vermont Medicaid recipients. However, we are concerned that our providers were not made aware of



changes prior to any decision to reduce reimbursement. We ask that the department reconsider these changes, as there is the potential for access issues with the rate reduction rather than the increase we need.

Respectfully submitted,

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