REIMBURSEMENT for Compression Therapy Products

**Introduction**

- Founded in 2002 to gain insurance coverage for products with vague reimbursement.
- Started in lymphedema as a request by Aetna to help them sort out issues with billing for compression items.
- Program has now spread to multiple other payers.
- Now a national provider to multiple payers, Medicare and Medicaid plans.
- Joined the ALFP and LANA as a means to help educate payers on how and why they should be covering compression items for lymphedema.

**Discussion Topics**

- Who are the various payers?
- Why is this so confusing?
- Does Medicare cover anything?
- How about Medicaid? Workers’ Comp?
- Understanding coverage by commercial players which varies widely.
- Medical Policy vs. Plan Provision
- Is there ever coverage for bandages?
Who Covers What? The Payers

- Medicare
- Workers’ Compensation
- Commercial insurance payers
- State Medicaid programs

Why is this so difficult?

- The PDAC and Alphanumeric Workgroup (part of Medicare) establishes coding for all medical products (Medicare and non-Medicare) categorized as DMEPOS.
- Medicare does not cover compression garments or bandages for a diagnosis of lymphedema.
- Without coverage, what incentive is there to have the PDAC develop accurate, clear coding?
- ALFP and others are working towards building awareness for coverage. Until then, there is little providers (DME’s) can do.
- Commercial Insurance Payers tend to “follow Medicare’s lead” when setting coverage policies. Through the Breast Cancer Mandate, they are required to cover these patients but no “Medicare guidance” position is available to them.
- Left to their own “interpretation” and coverage.

What does Medicare cover?

Pump Technology

- Three types of pumps with different codes, reimbursement, and specific clinical coverage for each
- Specific codes and reimbursement for LE and UE appliances; no specific code for truncal appliance (deemed experimental)
- Covered for either lymphedema diagnosis or venous stasis

Garments for Open Venous Stasis Ulcers

- LE compression garment, 30–40mmHg
- LE neoprene binder, 30–40mmHg
- Dx > 6 months
Medicaid Programs

- 50 states = 50 different rules and guidelines.
- May have the option to work through a Medicaid HMO. At minimum, a Medicaid HMO has to cover what the state covers, but they can always offer more than the state does.
- Each is different, so work with a provider "in the know."

Workers’ Compensation

- Always covered as long as it is a result of an on-job injury.
  (Generally, lymphedema is secondary to a trauma or surgery.)
- Covers whatever is needed for as long as the injury diagnosis exists.
- The challenge is that, often, the ordering M.D. is unfamiliar with lymphedema. The doctor may not know what products to order or if they are treating edema or lymphedema.
- Can often obtain multiple treatment modalities to be used in combination with each other. (Example: a pump and garments.)

Commercial Insurance

Most insurance companies cover the following compression-therapy products:
- Bandaging
- Daytime compression garments (custom and RTW, over 20mmHg)
- Nighttime garments
- Pump technology

Challenges
- Coding can be vague and policies are often set by people with limited knowledge of lymphedema.
- Coverage varies based on what the employer purchased for the employee.
- Medicare-replacement plans must cover at minimum what Medicare covers, but can cover more.
- A skilled provider can often "navigate" around some of these pitfalls and secure coverage.
Commercial payers must cover for issues related to the management of women with breast cancer.

Federal mandate for commercial payers (Blue Cross, Aetna, Humana, etc.).

MEDICARE IS NOT REQUIRED TO FOLLOW THE MANDATE!

Men with breast cancer are not covered.

Self-insured policy holders are exempt unless they opt to purchase this coverage.

Two criteria determine when or if an item is covered:

- Medical Policy
- Plan Provisions

Medicare guidelines are clear and consistent

Commercial guidelines are payer-based and plan specific (60 BC/BS plans could mean 60 different medical policies)

Some reimbursements are plan-specific (HMO vs. PPO) while others are diagnosis-specific (use ICD9 codes)
Plan Provisions

- In Network vs. Out-of-Network
- HMO vs. PPO coverage
- Plan exclusions
- DME maximums
- Plans do what Medicare does
- Authorizations required if costs will exceed a certain amount
- Primary Care Gatekeeper requirements
- Cross-border referrals
- Deductible levels can change
- Coverage levels can change (90/10 vs. 50/50)

Bandages

Why do you generally hear that bandages are not covered by commercial insurance?

- The typical, local DME who bills insurance does not stock these types of items.
- Online retailers don't bill insurance companies.
- Patient is generally “stuck” paying for them out of pocket.
- Need a specialty company that stocks the items AND bills insurance.
- It is true that some plans simply don't cover bandages, but most do cover them.

Providers

- Providers (DME companies) have varying success contracting for and billing for compression products. These tasks are generally not their core competency and are less profitable and/or more work than other items they provide such as for O2 patients.
- Internet companies do not bill insurance at all.
- Lymphedema Therapy Schools who sell items are in a “conflict of interest” situation with the payer community. They can’t bill insurance.
Bottom Line

- One provider will most likely never be your single-source supplier due to payer contracting issues.
- Don't assume that if one provider says the patient isn't covered that they are not!
- Consider a provider who is accredited (and therefore monitored) to ensure compliance to standards.
- For Medicare patients with lymphedema, pump technology is currently the only reimbursable option.
- Bandaging, custom garments and nighttime garments are generally covered by commercial insurance payers and workers' comp.

Any Questions???

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