Medicare puzzle: Big rise in artificial feet costs

RICARDO ALONSO-ZALDIVAR - Associated Press - Associated Press

What's wrong with this picture? Medicare's bill for artificial feet rose nearly 60 percent in recent years, although foot and leg amputations due to diabetes continued a dramatic decline.

Medicare paid $94 million for artificial feet in 2010, according to research conducted for The Associated Press. That was nearly $35 million more than in 2005, even though in 2010, Medicare covered about 1,900 fewer such prostheses.

Artificial feet represent a tiny slice of the $550 billion program that covers health care for 49 million older and disabled people. But the spending spike highlights basic questions about affordability, technology and appropriate care that confront Medicare as lawmakers look for a way out of its broader financial troubles.

Industry says there's nothing wrong. Patients are benefiting from new technology in artificial limbs used for wounded troops returning from the Iraq and Afghanistan wars.

Others dispute that conclusion, saying there's no body of scientific evidence to back it up.

A doctor who works with amputees questioned whether a high-tech foot designed for an active person is appropriate for an elderly patient with diabetes, a major cause of lower-limb amputations. Losing a foot means the patient is at an advanced stage of the disease and probably dealing with other problems that limit physical activity.

"A lot of our patients are just trying to transfer from the wheelchair to the toilet," said Dr. Howard Gilmer of National Rehabilitation Hospital in Washington.

A report last year by the Health and Human Services inspector general found widespread questionable billing for lower-limb prostheses, a category that includes artificial feet.

In 2009, Medicare inappropriately paid $43 million for lower-limb prostheses that did not meet certain basic standards for accurate claims, investigators said. They found an additional $61 million in questionable billing in cases where it wasn't clear that the Medicare beneficiary had seen the referring doctor in the previous five years, raising questions about whether the prosthesis was medically necessary.

Industry officials say they are committed to battling fraud and the AP's statistics simply show the march of progress.

"We have had a huge improvement in the quality of devices that we can provide,

thanks to all the knowledge that has flowed from providing care to soldiers," said Thomas Fise, executive director of the American Orthotic & Prosthetic Association, a trade group. "That technology has now become available, and patients believe they should be entitled to it, and who is going to tell those Medicare beneficiaries they are not entitled?"

"What the government got for their money was value-added," said Tom DiBello, president of the group, which represents professionals who fit artificial limbs as well as manufacturers.

The AP's analysis was done by Avalere Health, a data-crunching firm serving private and government health care clients. It looked at Medicare spending on 13 codes for different types of artificial feet that the program covers, many with multiple manufacturers. The analysis suggests the sharp rise in spending is mainly due to a shift in the types of prosthetics being given to Medicare beneficiaries, from ones that cost several hundred dollars to more sophisticated types that run in the low thousands.

Medicare has started covering a computer-controlled ankle/foot that costs $15,000, about as much as a compact car. Some major private insurers still consider it experimental and do not routinely cover it.

Several doctors were surprised by the findings.

"The data are surprising because of the large increase over a short period of time," said Dr. David Armstrong, a professor of surgery at the University of Arizona and diabetes expert who directs the Southern Arizona Limb Salvage Alliance.

Armstrong wonders if the dazzle of technology is the issue for some practitioners. "They can lose the forest for the trees and focus more on a high-end device because it's high-end, rather than specifically on function for the patient," he said

The AP's data analysis showed a nearly threefold increase in Medicare coverage for one model of foot prosthesis that features a shock absorber and costs about $6,500.

That seemed puzzling to Gilmer. His clinic had recently fitted a patient with that same kind of foot. But the patient is in his 20s and rides ATVs, plays basketball and works on cars.

"Most of our Medicare patients are not going out playing hoops every day," said Gilmer. Fitting a patient is an individualized process that takes into account many factors, not only physical activity.

Avalere senior vice president Nora Hoban said the data raise questions that need to be answered by further research.

Medicare spokesman Brian Cook said officials are concerned.

Medicare "is aware of and shares the concerns this research raises about lower limb

prosthetics," he said in a statement. The agency has saved taxpayers $867,000 in the past year by cracking down on fraud involving artificial limbs, Cook added.

Medicare said it was unable to provide information to the AP about the ages of beneficiaries who received the different types of artificial feet or the states where they live. Those two pieces of information could help start to find answers to the puzzle.

Medicare officials acknowledge widespread deficiencies in documentation of medical necessity for all kinds of equipment, but they are concerned that tightening requirements could restrict access for seniors.

"We are committed to reducing improper payments and fraud, while ensuring that Medicare beneficiaries have access to the care and services that they need," said Cook.

The inspector general's report recommended that Medicare revise a scale of functional activity levels that clinicians use to help determine what kind of artificial limb is appropriate for a particular patient, based on that individual's lifestyle. It said definitions of the patient's potential for rehabilitation should be clarified.

"These changes would help ensure that prostheses are matched to beneficiaries' needs and that (Medicare billing contractors) can assess the medical necessity of these devices," the report said.

Meanwhile, the rate of diabetes-related foot and leg amputations continues to fall, due to better patient care. Among the Medicare population, it declined 66 percent from 1996-2008, according to the Centers for Disease Control and Prevention.

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Online:

Avalere research: http://tinyurl.com/84g23lm [1]

Medicare: http://www.medicare.gov [2]

Health and Human Services inspector general's report: http://tinyurl.com/7pj4g9s [3]

American Orthotic & Prosthetic Association: http://www.aopanet.org [4]

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