



**American Orthotic &
Prosthetic Association**

Support for Implementation of Insurance Fairness for Amputees Act

112th Congress in the Senate – S.773
112th Congress in the House - H.R.4175

Background

Limitations on insurance coverage for prostheses (artificial limbs) and custom orthoses (braces) continue to impede the reasonable provision of these devices to those in need. Presently, some individuals who need such care are unable to obtain it due to arbitrary limitations in their insurance coverage for orthotic and prosthetic devices.

While Medicare, the largest federal insurer, provides comprehensive prosthetic and orthotic coverage, many private insurers either do not cover these devices or limit coverage with unrealistic dollar caps. For example, an insurer may only cover one limb per lifetime or not cover any repairs or replacements to a device. This hurts all amputees, but is especially difficult for children who outgrow their limbs and need replacement limbs.

Another example of coverage limitations is the imposition of a very low annual financial cap. This means that a patient who develops a new condition or whose condition has changed may not be able to obtain the new replacement limb or brace that he or she needs, because he or she has already reached and more than likely exceeded the dollar cap for that year.

For amputees and those needing custom orthoses, the lack of coverage or limitations on coverage often prevents them from leading full and productive lives. In addition, not having access to appropriate devices can lead to costly co-morbidities due to the imposed sedentary lifestyle. These conditions can include orthopedic problems, obesity, diabetes, and peripheral vascular disease.

To combat this problem, many states are implementing legislative solutions to ensure coverage of orthoses and prostheses to the same degree that other surgical and medical benefits are available in the policy. Another important factor is to assure that orthotic/prosthetic patients have a suitable choice of providers, so that insurance programs do not significantly constrain patient access to the provider of their choice. Currently, 20 states have passed legislation ensuring insurance fairness for orthotic and prosthetic care. According to the Amputee Coalition of America, there are 25 active campaigns to advance amputee fairness legislation in other states.

These state laws afford protections as to some insurance plans, but since they cannot regulate ERISA plans, there is need for federal policy. The regulations being rolled out under the Affordable Care Act will set needed federal policy on some issues. S.773/H.R.4175 are being re-written for introduction into the new Congress to assure

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that they take into account those cases where ACA-related insurance regulations solve patient access problems, while maintaining provisions needed to afford patient protections that are still missing at the federal level.

The cost perception problem

This is not a mandate. Opponents of such legislation are concerned about the cost of this coverage. People assume that increasing insurance coverage means the amount they have to pay for insurance will go up. Some insurance companies want people to believe that this increase would be excessive to the point that people would have to cancel coverage because they would not be able to afford the premiums.

However, this coverage is not costly because the number of patients that need this care is small. Data compiled by Morrison Informatics using both Medicare and private payor paid claims data show that, *if we were starting from a point where no insurer was providing any payment or coverage for O&P services, the cost of such legislation would be about \$0.30 per member/per month (PMPM) for prosthetics, and \$0.31 PMPM for orthotics, or just over \$7.00 per member/per year.* The legislation does not require insurers to provide orthotic and/or prosthetic coverage; rather, it states only that if an insurer offers a plan that includes orthotic and/or prosthetic coverage, that coverage should be on the same terms as coverage for other general medical and surgical benefits in the policy.

However, because the vast majority of benefit plans already offer some level of orthotic and prosthetic coverage, the real focus on costs needs to be on ***the additional, or incremental, costs resulting from the passage of such legislation, i.e., the cost of the insurer moving from what they currently provide to coverage levels that would be on the same terms as their general medical and surgical coverage. A composite analysis of independent research undertaken or commissioned by 12 different states results in the conclusion that this incremental cost would be approximately 5 cents per beneficiary, per month, i.e., the real costs of adopting the proposed federal insurance fairness bill would be about \$0.60 per beneficiary per year.***

The cost of not providing prosthetic and custom orthotic care to patients can be much more costly. If these patients are prevented from accessing the care needed to continue to be productive members of society, they are often forced to become reliant on public programs such as Medicaid. In addition, complications such as flexion contractures, skin breakdown, osteoporosis, muscle loss, depression, and costs for nursing home or home care can all far exceed the costs of providing orthotic and prosthetic care to patients.

Savings also come from patients not having to make use of unemployment insurance, due to the increased function they can achieve by using orthotic and prosthetic devices. Such improvements in function, in conjunction with training, rehabilitation and counseling programs, help patients lead more active and healthy lives. The Amputee Coalition has stated that, "every dollar spent on rehabilitation, including prosthetic care, saves more than \$11 in disability insurance."

For these reasons, AOPA strongly supports passage of insurance fairness legislation for orthotic and prosthetic care.

For more information contact the American Orthotic & Prosthetic Association (AOPA) at (571) 431-0876 or www.AOPAnet.org.