

HEALTH WEALTH CAREER

Attachment 3

OREGON PEBB BOARD MEETING

DURABLE MEDICAL EQUIPMENT FOLLOW-UP

JULY 16, 2019



DURABLE MEDICAL EQUIPMENT BACKGROUND

As part of the 2020 renewal process, Kaiser proposed changing the following subset of DME services to have the same cost share as other DME services:

- Enteral pumps and supplies;
- CADD pumps;
- Osteogenic bone stimulators;
- Osteogenic spine stimulators;
- Ventilators

The change would have impacted both the FT and PT plans as follows:

| FULL-TIME PLANS | HMO | DEDUCTIBLE |
|-----------------|----------------|--|
| Current benefit | \$0 cost share | \$0 cost share |
| New benefit | \$0 cost share | 15% coinsurance; \$0 for diabetic supplies |

| PART-TIME PLANS | HMO | DEDUCTIBLE |
|-----------------|--|--|
| Current benefit | \$0 cost share | \$0 cost share |
| New benefit | 50% coinsurance; \$0 for diabetic supplies | 50% coinsurance; \$0 for diabetic supplies |

DURABLE MEDICAL EQUIPMENT POLICY

Durable medical equipment (DME) and supplies are necessary medical products suitable for use in the home. DME must be:

- Prescribed by an attending physician
- Considered medically necessary
- Primarily and customarily used only for a medical purpose
- Designed for prolonged use
- Intended for a specific therapeutic purpose

For the categories noted on the previous page, Kaiser's intent was to bring all DME benefits to the same level; they are doing this with all of their clients

According to the *Maternal & Child Health Plan Benefit Model* developed by the National Business Group on Health, the recommended cost-sharing for DME is on a "per unit coinsurance", applied toward the out-of-pocket maximum

DURABLE MEDICAL EQUIPMENT FOLLOW-UP

The Board requested more information about the cost impact to members for this change, noting there was no rate decrement associated with doing this.

Below are cost ranges for the DME services in question, provided by Kaiser from their commercial book of business:

| DEVICE | AVG COST RANGE | ANNUAL COST @15% COINS. | ANNUAL COST @50% COINS. |
|------------------------------|-------------------|----------------------------|----------------------------|
| Enteral pumps and supplies | \$34-143/month | \$61 -257 | \$204-858 |
| CADD pumps | \$1,500 - \$5,000 | \$225-750 | \$750-1,500* |
| Osteogenic bone stimulators | \$1,700 - \$4,000 | \$255-600 | \$850-1,500* |
| Osteogenic spine stimulators | \$1,700 - \$4,000 | \$255-600 | \$850-1,500* |
| Ventilators | \$1,500/month | \$1,500* | \$1,500* |

* Annual individual out-of-pocket maximum

DURABLE MEDICAL EQUIPMENT NEXT STEPS

- Re-evaluate during 2021 renewal



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