The American Occupational Therapy Association, Inc.

Occupational Therapy: Living Life to Its Fullest

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AOTA Response to Senate Finance Committee: Policy Options for Financing Comprehensive Health Care Reform May 26, 2009

The American Occupational Therapy Association (AOTA) is pleased to submit these written comments on the Senate Finance Committee's description of policy options regarding expanding health care coverage contained in the document, "Financing Comprehensive Health Care Reform: Proposed Health System Savings and Revenue Options" (May 20, 2009). AOTA is the nationally recognized professional association representing the interests of more than 140,000 occupational therapists, occupational therapy assistants and students of occupational therapy. These comments are in addition to AOTA's previous submissions on May 15 and May 22, 2009 in regard to the Committee's policy options for reforming the health care delivery system.

Updating Payment For Home Health Services

AOTA has specific concerns regarding the establishment of a provider specific annual cap on the number of allowable outlier episodes that home health agencies (HHAs) can reimburse for in a year. The implementation of caps needs to be done judiciously and should give consideration to regional patient composition. Providers in different regions have different patient compositions and these patients may have specific economic or social challenges that may cause them to be outliers. Implementation of any type of a cap on services, including occupational therapy must be done in such a way as to not adversely affect sufficient levels of necessary and appropriate care.

More Appropriate Payment For Durable Medical Equipment

AOTA supports the Committee's intention to prevent the possible overpayment for durable medical equipment (DME) and services. AOTA has actively worked to improve policies relating to the implementation of the competitive bidding program and was successful in obtaining a specific exemption for occupational therapy practitioners. Under the current competitive bidding program, OTs are exempt from bidding requirements but are beholden to prices set by the program for DME.

AOTA is not clear how the Committee's new proposal intersects with competitive bidding and how it would affect occupational therapy practitioners in providing appropriate orthotic devices to beneficiaries.

Capturing Productivity Gains

AOTA urges the Committee when considering new approaches to payment aimed at increased productivity to give attention to guarding against the incentivization of reduced care. This type

of incentivization could adversely affect the provision of necessary an adequate care, including occupational therapy.

AOTA would urge the committee to include Value Based Purchasing (VBP) to insure that quality of care is maintained or improved while costs are lowered.

Reducing Geographic Variations in Spending
AOTA appreciates that the Committee is looking into variations in access to care across geographic regions and supports evaluating what these variations do in regard to health status of beneficiaries across regions. AOTA urges the Committee to focus on better outcomes as it deals with improving accuracy of payments. Reducing spending must be balanced by ensuring value and maintaining payments for services that truly deliver better patient outcomes.

Comparing providers and patients to peers in the same geographic area would accurately reflect the health, economic and social status of the population that can influence variations in the need for care. The Committee should proceed slowly to ensure there are not negative consequences to availability of care and patient outcomes as a result of reducing geographic variations in spending.

Modifying Beneficiary Contributions
Increasing or changing patient payments must be balanced by the effect it would have on patients seeking appropriate care at the right time. A prevention focus argues against changing payments in any way that would create a barrier to seeking appropriate primary or preventative care or even hospitalization. Delaying important services or procedures because of financial costs can be far more expensive to the individual but especially the system. Providing rehabilitation therapy services like occupational therapy in a timely and thorough manner is critical to patient outcomes and early intervention is critical to ensuring maximization of performance, function and independence.

Options to Modify the Exclusion for Employer-Provided Health Coverage
AOTA, as an employer, works hard to provide quality, affordable insurance to our employees and their families. AOTA would not want our employees to be negatively impacted by reducing the incentive for employers like AOTA to contribute toward quality health insurance for their employees. Nor would AOTA support changes that would increase cost for our employees to obtain medical care, such as eliminating tax deductibility of contributions. AOTA urges the Committee to consider the potential consequences of removing incentives that currently reinforce the provision of employer-based health subsidies and tax incentives for employees. Such changes could create significant problems for working families.

Other Health Care Related Revenue Raisers
While AOTA recognizes the need to find savings and raise revenue in order to fund health insurance for the millions of currently uncovered Americans, AOTA cautions the Committee against funding the new Exchange or public plan through methods that have negative consequences for the current health system. Changes to current itemized medical deduction rules

and to flexible spending arrangements that reduce the value to beneficiaries of these programs can be very problematic for working Americans. President Obama made maintaining the same coverage for Americans, who are happy with their current plans, a pillar of his campaign. It is vital to the stability of the health care system that current coverage is maintained for individuals and families who have quality health care. The effort to expand access to care and improve the quality of care must be extended and maintained for those Americans covered in the whole range of options currently available.