AOPA 1st Quarter 2011 Staff Report

To: AOPA Membership
From: Thomas F. Fise, Executive Director
Date: April 15, 2011

Subject: What’s Next?

Where is the next earthquake, the next Tsunami? It’s becoming increasingly clear that the lopsided upheaval in the U.S. House of Representatives and the close margin of power in the U.S. Senate is as good a recipe for gridlock as Washington has ever seen. Threatened government shutdowns over the budget really bring the gridlock issue front and center. But in a world that is also seeing many formerly “stable” nations now undergoing chaotic change imposed by the forces of politics or nature, it leaves everyone wondering – what’s next?

Amidst this backdrop of national and global uncertainty there is still the need to focus on the day-to-day issues that hinder or help the O&P community’s ability to deliver quality patient care. And that’s what AOPA is here for.

Right now the most pressing threats seem to come from the draconian budget cuts needed to restore some balance to state and federal finances. Although O&P may not be a big cost item in Medicaid payments by the states, it is a huge quality of life issue for the patients that look to O&P providers as their lifeline to as much normalcy as their limb loss or impairment may permit.

That’s why AOPA has focused more and more on the state issues and is even revamping its public relations program to reflect increased emphasis on media advocacy designed to preserve as much as possible the level of care needed for state Medicaid patients.

Even though the government shutdown was at least temporarily averted, expect to hear much more acrimonious debate over the next four to eight weeks as the prospect for a government default looms unless Congress enacts an increase in the debt ceiling. Any debt ceiling legislation will be tied to adopting a system of budget austerity. This in turn has set the table for proposals to convert Medicare to a private sector defined contribution voucher program and moves to shift Medicaid to a solely state program with little federal guidance and rules, and funded through block grants.
Never has national and state level advocacy been so intertwined, so interdependent. It turns out the issues are very much the same in one way or another and it is going to strain the resources to make sure potential battles in the 50 states are adequately addressed while keeping the federal threats from overwhelming the O&P community with its own Tsunami.

**AOPA Policy Forum – Home Run**

AOPA members scored a record number of 413 meetings with Members of Congress and staff for the 100+ AOPA members participating in the 2011 Policy Forum made a huge contribution toward expanding the understanding and appreciation for the unique difference O&P services make in the lives of patients. Members drove home the message that what they do is often the touchstone to achieving a quality of life that returns each patient to their maximum potential. Last year’s Policy Forum achieved 232 separate meetings with the legislative decision makers.

To reflect the growing importance of state level issues now moving to center stage, a special training session was held for those AOPA members who have volunteered to be AOPA’s eyes and ears in the states by watching for any regulatory or legislative threats to O&P. The “state reps” are the early warning system because so many issues begin in one state and quickly ricochet to all 50.

A good example is the trend of cutting O&P Medicaid benefits to patients over age 21 as was threatened in California and Nevada. Arizona passed a law preventing orthotic care and microprocessor devices for Medicaid recipients 21 and over. A repeal effort is underway. Fortunately, in both California and Nevada the threat of cuts has ebbed as an organized O&P community in each state mounted advocacy efforts. In Nevada, AOPA played a direct role in making that happen.

To further strengthen the ability to deal with state issues, AOPA’s Policy Forum enlisted Denise Rozell, assistant vice president, state government relations at Easter Seals. She described the mechanics of their state advocacy effort at the training session for AOPA members volunteering to be state reps that kicked off the Policy Forum activities. Easter Seals could be a possible role model for the O&P community. At a program later in the day Mary Andrus, assistant vice president, government relations at Easter Seals told how state and federal issues intersected in their own advocacy efforts to provide a much stronger program at both levels. Both emphasized the importance of face-to-face advocacy and the need to enlist patients and other organizations with common interests as co-advocates.

Other sessions included a tutorial by two former Congressmen, Scott Klug (R-WI) and Earl Pomeroy (D-ND) on current and future budget deliberations and their potential impact on O&P. Mr. Laurence Wilson, Director, Chronic Care Policy Group, provided the CMS address answering a range of questions. Several speakers briefed attendees on our Medicare and insurance legislation.

Chair of the Health Subcommittee of the House Ways and Means Committee, Rep Wally Herger (R-CA) concluded the session with a hard hitting message on reining in government spending but made a special point of singling out the great contribution made by O&P. Thirty-one AOPA members participated in a separate O&P PAC reception that evening for Congressman Herger further cementing a very important relationship to the O&P community.

**AOPA’s 2011 Legislative Agenda, As Reflected In Key Asks on Congressional Visits**

The Monday programming and training was just the run up to the important Tuesday visits with members of Congress. Although the threatened on again, off again government shut down could have meant an absence of Senators and Representatives for these face-to-face meetings, in the final analysis it may have contributed to an unusual number of meetings that did indeed involve the legislators.
Here are the key elements of AOPA’s 2011 Legislative Agenda, together with the talking points AOPA members pressed home on these topics in their visits with Members and their staff:

**O&P Medicare Improvement Act**. Main message – Saves taxpayers a minimum of $250 million over five years by curbing fraud and abuse. Key components: (1) Reimbursing in licensure states only those properly licensed. In non-licensure states reimbursement is limited to only those credentialed by a recognized body that meets ABC or BOC standards. (2) It limits deemed accrediting bodies to those experienced in O&P that meet BIPA 427 criteria. (3) Links reimbursement to the qualifications of the provider and the complexity of the device the patient needs.

**Insurance Fairness for Amputees Act (S. 773)**. Main message – Providing timely O&P treatment can avoid costly co-morbidities and return patients to active, productive lives as taxpayers instead of consumers of tax dollars. This legislation was previously known as “O&P Parity” but many misunderstood this as a mandate for coverage. The bill name was changed to make clearer that only if a private insurer chooses to offer O&P coverage it must provide it at the same surgical and medical benefits of other covered risks with no caps or lifetime limits. Studies show that the incremental costs of this coverage improvement would cost less than 60 cents, in additional premium per insured, per year.

**Inclusion of Orthotics and Prosthetics in Definition of “Essential Benefits.”** Main message – it was always intended that O&P be included as was clearly stated in the House version of the Affordable Care Act. However, the Senate version was signed into law and left defining essential benefits to the Secretary of Health & Human Services. Rep. George Miller (D-7th CA) and Rep. Bill Pascrell, Jr., (D-8th NJ) have issued statements in the Congressional Record confirming this intent. Not being included could seriously affect O&P patient care with third party payers all over the lot in providing coverage.

**Exclude O&P Medical Devices from 2.3 Percent Excise Tax**. Main Message – O&P providers deliver a finished device at their facilities to patients for their individual use, and therefore should qualify for one of the exemptions from the tax set out in the law. FDA rules over the past 35 years have referred to retail O&P patient care facilities. Eyeglasses and hearing aids are exempt as prescribed custom modified articles which match in many ways the process of O&P provided care. AOPA believes both manufacturers and patient care facilities qualify for the exemption.

**Support Veterans Bill of Rights (HR 805)**. Main Message – Make sure veterans know their current right to obtain treatment from a practitioner of their choice in a venue of their choice. The bill requires these rights to be posted in every VA O&P clinic for injured and amputee veterans to see. It promotes a continuum of care for amputees transitioning from the Department of Defense (DoD) to the Department of Veterans Affairs (VA).

**O&P Needs Short Term Grants to Train Future Practitioners**. Main message – the aging population and increasing incidence of diabetes and other cardiovascular disease creates growing demand for highly skilled practitioners to provide O&P services. As entry level qualifications requiring a master’s degree, the shortage of skilled professionals will skyrocket as more and more current practitioners retire. These grants are needed to meet this critical demand.

**Funds should be provided for Outcomes-Based Research/Evidence-Based Practice**. Main message – while Congress has provided research funds to restore maximum functionality for wounded warriors and veterans, O&P research has been less focused on outcomes than in allied health professions. Significant research questions remain unanswered such as: (1) What interventions can prevent amputation or subsequent surgeries; (2) at what point in treatment is O&P intervention most effective; (3) which patients benefit most from which technologies; (4) what O&P practices facilitate successful aging, and how does the aging process affect the use of prosthetics, including skin breakdown, loss of balance, falls and other issues, such as promoting return to
work? These and other key questions remain unanswered but outcomes research can be vitally important in reducing future health care costs and ensuring that patients receive appropriate, necessary care.

NOTE: Select the 2011 Policy Forum menu button on the home page of www.AOPAnet.org to access the detailed talking points and white papers, an audio portion of Monday’s program and some of the speaker slide presentations will also be posted in the near future. Don’t be in the dark just because you couldn’t attend.

Early Bird National Assembly Online Registration

Reserve your place among the stars of O&P who will be attending the 94th Annual AOPA National Assembly, September 19-22, 2011 in Las Vegas. This might be your only chance to enjoy the spectacular Mirage Resort and Casino at the incredibly low price of $135 per night plus a WOW clinical and business management education program at the National Assembly. There’s a reason that the AOPA National Assembly is “The Place to Be.” Go to www.AOPAnet.org for the Early Bird Registration discounted rate.

Don’t Miss the 2011 Las Vegas National Assembly Wine Auction!

Mark your calendar for 6:30 p.m., Tuesday, September 20, 2011 for the 4th Annual Wine Tasting and Auction. This has rapidly become the “must attend” event for not only wine aficionados, but those who want to make sure AOPA’s advocacy efforts are properly funded. Proceeds from the wine auction benefit the PAC, and in turn, the future of O&P. Last year’s event raised nearly $25,000 that was put to good use in the November elections. Eighty-three percent of the candidates supported by the O&P PAC won their race.

Federal election laws require all persons attending must sign a PAC authorization form found on www.AOPAnet.org.

Obtain Your Free Ticket to the Best Facts on O&P Finances and Compensation

All you ever wanted to know about financial operating results for O&P patient care facilities and how your staff compensation and benefits stacks up with your peers will be reported in the 2011 AOPA Operating Performance and Compensation and Benefits Report. To obtain your free copy (instead of paying $295 for members and $425 for non-members), all you have to do is supply your own data. You’ll receive a hard copy survey questionnaire in a matter of days, but you can also complete the survey online using the convenient save and return feature. Thirdly, you can supply your financial statements to AOPA’s consultant, Industry Insights, and they will complete the financial part of the questionnaire for you. All data is absolutely confidential, seen only by the analysts at Industry Insights. Details on how to participate will also be reported in the AIA, the AOPA Insider and the O&P Almanac. To access the online version, please go to www.AOPA-Survey.com.

Research Initiatives – Small Pilot Studies Underway

AOPA has issued RFPs to generate small pilot studies that are intended to be a platform for securing larger grants to fund more extensive studies in treatment outcomes. In collaboration with the Center for O&P Learning and Outcomes Evidence-Based Practice (COPL), AOPA has funded a total of six research projects at approximately $7,500 each. An RFP inviting proposals in six additional areas has just recently been distributed.

The final reports for the first three studies described below and funded in 2009 will soon be available for review.

1. “Comparison of Liner-Assisted Suspensions in Transtibial Prosthetics: A Pilot Study,” Robert Kistenberg, MPH, CP, LP, FAAOP, Georgia Tech University, Atlanta, Georgia


Preliminary reports have been received for three more projects funded in 2010 covering these subjects: (1) Exploiting Lower Limb Orthotic Constraint of Movement as a Strategy for Neuromuscular Recalibration – Sam L. Phillips, Ph.D., CP, Tampa Veterans Research and Education Foundation; (2) Prosthetic Socket Interface - Fan Gao, Ph.D., Assistant Professor Prosthetics & Orthotics Program, Sciences School of Health Profession, UT Southwestern Medical Center at Dallas; and (3) Exploiting Lower Limb Orthotic Constraint of Movement as a Strategy for Neuromuscular Recalibration - Christopher Hovorka, MS, CPO, LPO, FAAOP, School of Applied Physiology, Georgia Institute of Technology. Final reports are due later this year.

These are the six additional areas of pilot study research covered by the just released RFP. There is an April 30, 2011 response deadline.


c. TLSO, Reduction of Fall and/or Injury Related to Different Types of Spinal Devices Post Surgery

d. Socket Interface: Methods for Measuring Proper Socket Fit and Alignment.

e. Vacuum-Assisted Socket Suspension Systems

f. Open Topics – Beyond the Above Priorities, Top Quality Clinical O&P Research Topics Considered.

Go to www.AOPAnet.org and click on RFP Offerings to get all of the specifics you will need to submit a proposal.

Larger Research Projects

For the first time, also in collaboration with COPL, AOPA has issued RFP’s for two more expansive research projects related to comparative effectiveness. The first, issued late last year compares dynamic versus non dynamic prosthetic feet and a final contract is being negotiated with the principal investigator selected for that study. That was followed by an RFP to study the comparative effectiveness of microprocessor controlled prosthetic knees versus non-microprocessor controlled prosthetic knees which carries an estimated $250,000 maximum grant award. Proposals must be received by May 23, 2011. Obtain details on submitting a proposal at www.AOPAnet.org by selecting RFP offerings from the home page menu. The projects are jointly funded by four manufacturers and AOPA. Participating manufacturers are Endolite, Freedom Innovations, LLC, Ossur Americas and Otto Bock.

All of these research projects were the result of the 2007 member survey which identified 11 specific strategic initiatives with outcomes research being one of the strategic priorities. A total of 37 prospective topic areas where research is needed were identified and prioritized by the Outcomes Task Force, a joint endeavor of representatives from O&P organizations chaired by former AOPA president, Walt Racette, CPO.
**Still More on the Research Front**

The smaller pilot projects and the two larger research undertakings are just the tip of the iceberg as to what AOPA has on the drawing boards and what is being discussed at the highest levels in the O&P research arena.

AOPA representatives have met with officials at Johns Hopkins University to examine the feasibility of a longitudinal study involving DoD and VA patients (including treatment in both government and the private sector) to gather patient data in what could be the first comprehensive longer term tracking of O&P patient outcomes. Both the COPL board and then a separate meeting of O&P educators hosted by AOPA recently discussed forming an O&P research consortium that would collaborate on developing research topics, funding efforts, research design and development.

Another development which anticipates the needed funding for more sophisticated research, as well as a need for additional O&P teaching institutions, AOPA retained the services of Linchpin, LLC in late 2010 to advise AOPA and COPL on securing government funds to support these two objectives.

It is absolutely clear that future healthcare reimbursements will be closely tied to the available research demonstrating successful outcomes. That’s why it is so vital for O&P, which severely lacks a body of rigid research, to regain the initiative and push for the most sophisticated and useful outcomes research our modest resources permit.

These types of efforts typically don’t reach headline status but these research projects are increasingly the underpinning for a successful O&P future and our ability to deliver quality patient care.

**Two Related Research Projects**

Two other research projects triggered by the 2007 strategic planning initiatives include a special O&P cost effectiveness study to measure the impact proper O&P care can have in forestalling the onset of other more costly health care issues. A second RFP has been issued to examine various payment models and whether there are components that could enhance O&P’s ability to deliver quality patient care. The AOPA board, in authorizing this alternative payment project, cautioned that now is not the time to push for a change, but that data should be available that may be accessed in the event a change process were to be initiated by CMS or Congress.

**Government Affairs Report & Policy Forum PAC Highlights**

**The O&P PAC Update.** The purpose of the O&P PAC is to advocate for legislative or political interests at the federal level which have an impact on the orthotic and prosthetic community. The O&P PAC achieves this goal by working closely with members of the House and Senate to educate them about the issues and help elect those individuals who share and support our issues.

As of April 8, 2011 the O&P PAC has raised $6,795 from the following AOPA members: Michael J. Allen, CPO, FAAOP; Robert Arbogast; George Breeze; Marty Carlson, CPO; Ed Gildehaus III, CPO, C.Ped, FAAOP; Kevin Gilg, CP; Ronald G. Lanquist, CO; Robert V. Leimkuehler, CPO, FAAOP; Eileen Levis; Mark Maquire, CPO; Brad Mattear, CFo; Ronald W. Pawlowski, CPO; Tom Rankin; Joshua Schenkman; Jeffrey Yakovich, CO, C.Ped.

**AOPA Policy Forum PAC Contributors.** During the forum, the following AOPA members contributed a total of $8,045 in much appreciated PAC contributions: Stephan A. Blackwell, CPO, FAAOP; Maynard Carkhuff; Mary E. Charton; Fred Crawford; Heather Davidson, CO; Thomas V. DiBello, CO, FAAOP; Kathy Dodson; Kathleen Easterbrooks; Robert Easterbrooks, Jr., CPO; Rick Fleetwood, MPA; James Hughes, CP; Jon P.
Leimkuehler, CPO, FAAOP; Anita Libereman-Lampear, MA; Randy Ludolph, CP, LP; Clyde N. Massey, CPO; Tina Moran; Donald D. Virostek, CPO; Ashlie/Eddie White, CP; James O. Young, CP, FAAOP.

In addition, the following attendees made personal contributions to the campaign of Congressman Wally Herger (R-CA) at the O&P PAC reception held in his honor:

Ryan Arbogast; Kel Bergmann, CPO; Stephen Blackwell, CPO, FAAOP; Frank Bostock, CO, FAAOP; Maynard Carkhuff; Fred Crawford; Glenn Crumpton, CPO, C.Ped.; Charles Dankmeyer, Jr., CPO; Thomas V. DiBello, CO, FAAOP; Deane Doty, CPO; Robert Easterbrooks, Jr., CPO; Rick Fleetwood; Bert Harman; James A. Kaiser, CP; Marc Karn, CP; Michelle Koehler, CO; Thomas Kirk, Ph.D; Mark Kirschner, CPO; Al Kritter, Jr., CPO, FAAOP; Jon Leimkuehler, CPO; Robert Morgan; Ralph Nobbe, CPO; Jeff Parsons, LO, CO; Scott Schneider; Chris Snell; Clint Snell, CP; Rick Stapleton, CPO; Brian Steinberg, CO; Frank Vero, CPO; James Weber, MBA; James O. Young, CP, FAAOP.

The O&P PAC has made donations to the following members of Congress:

- Representative Bill Cassidy (R-LA, 6th District), Member of the Energy & Commerce Committee and its subcommittees on Health; Commerce, Manufacturing, and Trade; and Environment and the Economy
- Representative Hal Rogers (R-5th KY), Chair of the House Appropriations Committee
- Representative Ed Whitfield (R-1st KY), Member of the Energy and Commerce Subcommittee on Health
- Representative Glenn Thompson (R-PA, 5th District), Co-Chairman of the Congressional Healthcare Caucus
- Representative Brett Guthrie (R-2nd KY), Member of the Energy and Commerce Subcommittee on Health
- Representative Fred Upton (R-MI, 6th District), Chairman: House Energy and Commerce Committee
- Senator Orrin Hatch (R-UT), Senior Member of Senate Committee on Finance; Member of Health, Education, Labor and Pensions (HELP) Committee, Committee on the Judiciary, the Joint Committee on Taxation; Member of the Special Committee on Aging
- Senator Mitch McConnell (R-KY) Senate Republican Leader
- Senator Ben Nelson (D-NB), Member: Agriculture, Nutrition & Forestry; Appropriations; Armed Services; Rules & Administration Committees
- Senator Debbie Stabenow (D-MI), Chairwoman: Committee on Agriculture, Nutrition & Forestry; Member of the Budget Committee, the Energy & Natural Resources Committee, and the Finance Committee

**Therapeutic Shoes.** AOPA members continue to struggle with the expanded documentation requirements that have been implemented in order for Medicare to cover therapeutic shoes for patients with diabetes. Effective for claims with a date of service on or after January 1, 2011, Medicare requires documentation of an in person visit with the physician managing the patient’s diabetes (certifying physician) within six months prior to the delivery of the shoes. The certifying statement must be completed no more than three months prior to delivery of the shoes. The certifying physician must also document an in person visit with the patient within six months prior to delivery of the shoes.

In addition to these requirements, Medicare is increasing its audit activity both through traditional post payment audits, as well as RAC audits, to ensure that documentation exists in both the certifying and prescribing physician’s records that support the medical need for the therapeutic shoes. AOPA has had several meetings with CMS officials to discuss the undue burden that these documentation requirements place on the suppliers of the shoes and continues to work on a solution.
Lower Limb Prosthetic Policy. AOPA recently discovered that code L5978 (All lower extremity prosthesis, foot, multiaxial ankle/foot) was classified in the Lower Limb Prosthetic Policy differently in two separate sections. Under one it was limited to K3 and in another to K2 patients. AOPA corresponded with the DME MAC Medical Directors and suggested that this code should be eligible for coverage for functional level 2 or higher amputees as are other multiaxial ankle codes. The DME MAC medical directors agreed with AOPA’s opinion and removed the functional level 3 classification for L5978 from the Lower Limb Prosthetic Policy.

AOPA Coding Products. The 2011 AOPA Quick Coder, Illustrated Guide and CodingPro were released for sale in early March. The 2011 AOPA Coding Pro contains a new interactive glossary feature that allows the end user to click on selected terms within a code descriptor. When selected, a clinical definition of the term populates in a window within the program. This new feature for 2011 creates an opportunity to better understand the individual terms that are used in HCPCS code descriptors.

Mastering Medicare: Advanced Coding and Billing Techniques Seminar. AOPA will present the Advanced Coding and Billing Techniques Seminar three times in 2011. Courses are scheduled in Las Vegas, NV (May 19-20), San Antonio, TX (June 16-17), and Baltimore, MD (October 24-25). The AOPA Advanced Coding and Billing Seminar continues to be a popular educational opportunity among AOPA members and provides valuable information over two days. Attendees are split into two groups for part of the seminar, with one group focusing on clinical issues and challenges and the other group focusing on administrative issues and concerns. AOPA values the feedback it receives from attendees and continues to adjust the curriculum for the seminar based on attendee comments and suggestions. 14 CE credits.

Mastering Medicare: Basic Coding and Billing Techniques Webcasts. The Mastering Medicare webcast series is available for purchase by both AOPA members and non-members. The series consists of nine modules that may be purchased individually or as a series. The webcasts are approximately one hour in length and once purchased, may be downloaded and viewed from www.AOPAnet.org as an “On Demand” educational resource. Each module upon completion of a quiz has been approved for 1.5 continuing education credits by the American Board for Certification in Orthotics, Prosthetics, and Pedorthics.

AOPA Practice Management Webcast Series. The first three modules of the AOPA Practice Management webcast series are also available for purchase by AOPA members and non-members. The AOPA Practice Management webcast series focuses on education regarding sound business practices. Currently available modules discuss the creation of a new O&P business, the acquisition of an existing O&P business, and enrolling in the Medicare and Medicaid programs. Additional modules will be added as they are completed.

AOPA Mastering Medicare Audio Conferences. AOPA continues to produce its monthly Mastering Medicare audio conference series. These one hour, interactive sessions provide AOPA with the opportunity to communicate important information about current issues affecting the AOPA membership. Feedback from the audio conferences indicates that they are a valuable resource to the AOPA membership. 1 ½ CE credits.

LCodeSearch.com. The popularity of www.LCodeSearch.com continues to grow as manufacturers populate the program with new products and AOPA members register to use the site. Since January 1, 2011, www.LCodeSearch.com has been visited over 2,000 times. It is an invaluable coding tool for O&P practices and access to the site is offered for free as an AOPA member benefit.

PECOS Update. PECOS is an acronym for Provider Enrollment, Chain Ownership System and is the preferred method for physician enrollment in the Medicare program. CMS has indicated that at some point in the future, referrals from physicians and non-physician practitioners that are not enrolled through the PECOS system will be considered invalid. While CMS has published several implementation dates in the past, currently it has indicated that enforcement of this requirement will not be implemented until the PECOS system is fully functional and current.
CMS recently announced that DMEPOS suppliers may now utilize PECOS to enroll and reenroll as Medicare suppliers. While not currently mandatory, PECOS is the preferred method of enrollment and may eventually become mandatory.

**New Medicare Enrollment Rules.** Effective March 25, CMS announced new rules for DMEPOS suppliers that tighten up the ability of such suppliers to enroll in the Medicare program. New DMEPOS suppliers, and those opening new branches, would be considered as high risk providers and have to undergo unannounced visits from CMS and the NSC, as well as background checks and fingerprinting for owners. The background checks and fingerprinting, however, will not start immediately. Renewing DMEPOS suppliers, as well as physical therapists, will be considered moderate risk and will only be subject to unannounced visits. Physicians, occupational therapists and many Part A providers such as hospitals and SNFs are among the list of providers classified as limited risk and no additional screening will be applied to them.

In addition to increased scrutiny of enrollments, CMS also now has the right to place a moratorium on the enrollment of various types of suppliers, as it deems appropriate based on its assessment of fraud and abuse activities within the supplier type. It also now has new authority to suspend payments based on a “creditable allegation” of fraud resulting from many sources including patient and other supplier complaints.

Finally, for the first time since its inception, CMS has instituted a fee for enrolling in Medicare. It is $505 for 2011 and will be increased annually based upon the CPI-U.

**CMS Modifies Existing Supplier Standards.** AOPA has been able to obtain clarification from CMS on two issues of importance in the Medicare Supplier Standards. The first involves whether or not a DMEPOS supplier may contract for services. As recently as December 15, 2010, the CMS position was that a supplier was not allowed to contract for services. However, after discussions with CMS on this issue, CMS has reversed its position and it now states, “we are interpreting our regulation…to mean that a supplier may contract with an individual or other entity to provide licensed services unless state law expressly prohibits such an arrangement.” The second issue relates to sharing of space with a physician. After the announcement of the new Supplier Standards last August, CMS stated that a DMEPOS supplier could not share space with a physician, even if that physician did not have a DMEPOS supplier number. This was contrary to years of earlier interpretation of this standard. After AOPA protested this understanding, CMS has clarified that sharing space with a physician is not permitted, unless the physician has a DMEPOS supplier number.

**AOPA Moves Toward Standards Development.** The successful conclusion of the Manufacturer’s Foot Project last fall pointed the way toward exploring whether future industry efforts need a more disciplined process to develop credible information about various O&P products and their LCode definitions. That led the Board to conclude that as a first step AOPA should join the American National Standards Institute (ANSI) which has a long history of providing a forum and a process for the development of credible standards related to industry products.

The Foot Project’s intention was to develop guidelines that could be used to determine whether the mechanical characteristics of a particular foot met the criteria described by the wording of a particular L code. These guidelines were not intended to correlate or describe the functional characteristics of the foot but rather the mechanical attributes of the foot. The results were shared with CMS.

Whether CMS will adopt the guidelines as their own is still unknown but the project clearly indicated the O&P community’s need for having a formalized process in place for developing similar information in the future.

AOPA staff visited with ANSI officials February 10 and examined whether AOPA should seek to qualify as a standards developer. That question will be considered by the AOPA Board at their summer meeting.
AOPA National Assembly WOW Experience

The 2011 AOPA National Assembly will be held from Monday, September 19 through Thursday, September 22 at the Mirage Resort and Casino. Volunteer and staff organizers have been working hard to make sure this event is memorable in every way.

- Premier Location - An unprecedented $135 room rate at The Mirage, a AAA-Four Diamond Resort located right in the heart of the Las Vegas Strip provides the perfect backdrop at the perfect price for the National Assembly. Fabulous shopping, amazing entertainment, championship golf and people watching at its finest!

- Business Education featuring experts in healthcare reform, documentation, O&P business ethics, Medicare fraud and abuse Prevention, dealing with claims denials, strategies for getting paid for therapeutic shoes, courses on financial management, different business models, new round table discussions and more.

- Scientific Programs featuring symposia on treating spinal trauma with live demonstrations, osseointegration, robotics, managing the diabetic foot, wound care, materials science and pediatric equinus deformity management.

- Networking for practitioners and suppliers at all levels of experience—Networking opportunities abound, from receptions to round table discussions to the exhibitor sponsored happy hour to the Thranhardt golf tournament.

- Products and Services—You will find anything and everything O&P at the country’s largest show for orthotics, prosthetics and pedorthics—no matter what size practice or what patient dilemma you may be facing, you will find what you are looking for in the 90,000+ square foot exhibit hall.

- Career Advancement—Don’t miss this opportunity to be among the first to participate in AOPA’s new Business Certificate Program. Take the first step in earning your business certificate by attending an extensive 2-hour course: Financial Management Profitability Tools—Using Cost Accounting to Maximize Your Practice’s Profitability, all included in your Assembly registration fee. Bonus—a comprehensive workbook will be provided to all participants.

Registration is now open! Visit www.AOPAnet.org for more information or contact us at (571) 431-0808 or tmoran@AOPAnet.org. We look forward to seeing you in Las Vegas!

AOPA Products and Services Keep Expanding

Be among the first to check out the recently published 2011 AOPA Products Catalogue, featuring the newly-updated coding products you need to run a profitable patient care facility.

- Free resources such as monographs, white papers and videos
- Compliance Resources on important topics (Fraud & Abuse and HIPPA)
- Free educational videos (many with accompanying quizzes allow you to earn CE Credits)
- Business Management Resources such as the popular O&P Clinical & Business Forms CD ROM
- Surveys on Compensation and Business Performance
- 2011 AOPA Education Calendar
- AOPA Board and Staff contact list
- Much More!

An electronic version of the catalogue is available online at www.AOPAnet.org
New Online Bookstore

To complement AOPA’s new online membership management system, where AOPA members can manage their subscriptions and sign up for benefits, the new online bookstore is open to serve you more efficiently. Go to www.AOPAnetonline.org to take advantage of all AOPA has to offer.

Nevada – A Case Study in Successful Advocacy

The importance of state issues noted earlier in this report is exemplified by the turn of events in Nevada. The outgoing governor in his budget message recommended limiting O&P care to Medicaid recipients age 21 and under. There is no active state association in Nevada but Melinda Lisle of OrPro of Reno contacted AOPA seeking advice. AOPA urged bringing the entire O&P community together and facilitated an initial conference call which attracted more than 25 O&P providers. A few days later another call developed some strategic initiatives that in turn led to a face to face meeting hosted by an AOPA member in their Las Vegas patient care facility. That meeting culminated in a decision to share the cost of hiring a professional lobbyist to lead the fight to prevent the threatened Medicaid cuts.

In the meantime, AOPA launched a media advocacy campaign by placing a billboard at a heavily trafficked location in Carson City that legislators couldn’t miss. Print ads were placed in major newspapers and editorial content was distributed to encourage and assist local media in picking up the story. A sample letters was developed to inform legislators and another for enlisting patient support.

When the newly inaugurated governor delivered his “state of the state” message to the legislature and the citizens of Nevada, the O&P community was cheered by his rollback of the Medicaid cuts. No one knows what impact the O&P community’s solidarity, lobbyist or AOPA media efforts may have contributed to Governor Sandoval’s common sense decision – but certainly none of these efforts hurt.

The final note – all of the materials used in Nevada can quickly be customized for use in other states. It’s a growing priority at AOPA to make sure we can address the issues affecting O&P no matter where they emerge – state or federal. That’s why the AOPA board created the “State Reps” program by requesting one or more members in any state to be the early warning system – AOPA’s eyes and ears – to keep the AOPA board and staff alerted to issues that may require AOPA involvement.

2011 Member Survey Tracks 2007 Responses Very Closely

There were few major differences in responses from the 172 AOPA patient care members participating in the 2011 Member Survey compared with the responses from the 232 members in 2007. There were fewer under $1 million revenue participants (29.7 percent in 2011 as compared with 42 percent in 2007) Six percent described their primary location as affiliated with a physician practice compared to 2.3% in 2007. Revenue from orthotics as a percent of revenue rose from 41.7 percent in 2007 to 45.5 percent in 2010. Prosthetics decreased slightly from 47.6 percent in 2007 to 46.1 percent in 2010. Pedorthics slipped from 6.7 percent to 5.6 percent in 2010.

Profitability took a dip with 41.1 percent reporting increased profitability in 2010 compared with 47.1 percent in 2007. A decrease was reported by 29.4 percent in 2010 versus 24 percent in 2007. Business remained the same for 32.7 percent of the respondents in 2010 compared with 28.9 reporting the same in 2007.

Fourteen statements about various views of the future of O&P elicited almost identical levels of agreement or disagreement in 2011 as these same statements elicited in the 2007 member survey. Those statements included: “Licensing is a positive for the O&P profession” and “Accreditation is a positive for the O&P profession.”
Ratings of threats and opportunities also tracked closely; the three opportunities rated the highest were the same in 2010 as they were in 2007. In order of importance they were aging of the U.S. population, the incidence of disease such as diabetes and higher patient demand for service – almost identical to scores received in the 2007 survey. Perceived threats in order of severity were manufacturers selling to all types of health care providers, other allied health professionals entering O&P and government regulations ranking in the top three. Notable was the number of responses rating government regulation as the biggest threat jumping from 10.9 percent of the responses in the 2007 survey to 24 percent in the 2010 survey.

The top four issues now faced by O&P were competitive bidding, encroachment, reimbursement issues, government regulations/intervention and Medicare payments. Most frequently mentioned actions to combat these issues were a louder voice in lobbying efforts, help with sales/marketing, educating public about O&P, increase/uphold standards, bringing unity to industry and continued fight for reimbursements.

AOPA received a report card as well with respondents rating the value of AOPA services in 2010 in much same way as they did in 2007. Coding advice topped the list with a 4.5 score (5 being very valuable); CMS representation – 4.4; documentation advice – 4.4; working for improved third party reimbursement – 4.3; Congressional representation – 4.3; clinical education – 4.3; business education – 4.1; public relations – 4.1. The AOPA In Advance electronic newsletter, LCodeSearch.com, state representation and the O&P Almanac received 3.9 scores – the same as in 2007.

And In Closing

There are two strong undercurrents in this 1st Quarter Report that bear mentioning again. What AOPA is doing on the research front has received little mention in prior reports and that is an error of omission on my part. Research is a slow moving process from beginning to end, usually involving years instead of weeks or months, so it tends to assume a low profile. Yet, next to our advocacy, there is probably no better return on your organization’s limited resources than the continued investment in expanding O&P research. The other undercurrent is state issues rising to the forefront. This will continue as a serious challenge and is unlikely to go away. It may in fact reshape the nature of AOPA’s responsibility to you over the coming year.

Sincerely,

Thomas F. Fise, JD
Executive Director