RAND CORPORATION STUDY: "TECH GAP" PUTS U.S. AMPUTEES AT GREATER RISK OF INJURY, DEATH AS MEDICARE, PRIVATE PAYERS DENY ACCESS TO NEWER ARTIFICIAL LIMBS

Denial of Access to New Microprocessor-Controlled Knees Seen As Resulting in Preventable Falls, Deaths; Forcing Amputees to Use Riskier 1970s Technology Seen As Saving Little Money Over Lifetime.

WASHINGTON, D.C. – October 19, 2017 – U.S. amputees are facing a "tech gap" in which Medicare and private health insurers deny access to new microprocessor-controlled knees (MPKs) that are only slightly more expensive over a lifetime and considerably safer in terms of preventable injuries and deaths than the alternative "1970s-style" artificial lower limbs. Those are among the key findings of a major new report issued today by the RAND Corporation and available online from the American Orthotics & Prosthetics Association (AOPA) at: <u>https://bit.ly/randstudy</u>.

Every week in the U.S., more than 3,500 people undergo a transfemoral amputation. Of the 185,000 new amputee patients each year, an estimated 25-30 percent receive a prosthetic leg and knee.

However, fewer and fewer U.S. amputees are getting access to the new, safer technology and, instead, find themselves confined to the older and more dangerous 1970s-style tech. The RAND Corporation study notes that Medicare total payments for prosthetics declined 15 percent during the 2010-14 period despite advances in technologies. (Private insurers have historically taken their cues from Medicare as to possible cuts in coverage.)

The RAND Corporation study shows that 26 percent of patients who received more advanced prosthetic limbs with MPK will fall per year as opposed to 82 percent of patients with the older non-MPK limbs. There are 14 fall-related deaths per 10,000 patient years for non-MPK amputees, and three fall-related deaths per 10,000 patient years for the MPK amputees, which means up to 11 lives per 10,000 patient years could be saved through wider MPK usage. The data show only 38 falls per 10,000 patient years for non-MPK amputees, suffered by users of the higher-tech MPK versus 182 falls per 10,000 patient years for non-MPK amputees.

Dr. Soeren Mattke, managing partner, Health Care Practice, RAND Corporation, Boston, MA, said: "Due to recent advances in technologies, prosthetic knees and feet allow for more dynamic movements and improve user quality of life, but payers have recently started questioning their value for money ... the microprocessor-controlled knee is associated with sizeable improvement in physical function and reductions in incidences of falls and osteoarthritis ...The results suggest that the incremental cost of MPK is in line with commonly accepted criteria for good value for money and with the incremental cost of other medical devices that are currently covered by U.S. payers."

Kenton Kaufman, PhD, Department of Biomedical Engineering, Mayo Clinic, Rochester, MN., said: "Even if an amputee with the older technology avoids death due to a fall, he or she may suffer very serious consequences from a fall-related injury. The average additional cost in the six months following a fall can be substantial. The cost for individuals requiring an emergency department visit is about \$18,000. For patients who had to be hospitalized, this extra expense is over \$25,000. We know our cost estimate underestimates the true cost of a fall, because we didn't include indirect costs, such as lost wages, caregiving expenses and transportation costs."

Dr. Kaufman was summarizing the findings of a new Mayo Clinic research published in July 2017. See: <a href="https://newsnetwork.mayoclinic.org/discussion/prosthetic-knee-type-may-determine-cost-of-care-for-amputees/?utm_source=facebook&utm_medium=sm&utm_content=post&utm_campaign=mayoclinic&ge_o=national&placementsite=enterprise&mc_id=us&cauid=100502&linkId=39637813.

Michael Oros, CPO and president, American Orthotic & Prosthetic Association, and CEO, Scheck & Siress, Chicago, Illinois, said: "This is not a case of amputees wanting to have access to new technology just because it is new. To the contrary, new tech versus old tech can be a life-and-death issue for an amputee. The RAND Corporation study we are helping to release today shows

that there is a much higher risk of injury or death when Medicare and private payers refuse to permit access to the only slightly more expensive new generation of artificial knee and lower limb. And there is a huge quality of life issue here. Amputees who are stuck with the 1970s-style tech tend to be less mobile in addition to being more vulnerable to risk of injury or death."

In the summer of 2015, AOPA led a national campaign to oppose a Medicare rule that would have placed even more restrictions on both access to these very MPK devices and more sharply reduced the quality of current-technology care provided to amputees in the federal program. In that case, the Association opposed a draft proposal that remains in doubt. See: <u>http://www.aopanet.org/wp-content/uploads/2015/08/8.25-AOPA-AC-News-Conference-on-LCD-Policy.pdf</u>.

ABOUT THE GROUPS

The American Orthotic & Prosthetic Association (<u>www.aopanet.org</u>) is a national trade association committed to providing high quality, unprecedented business services and products to O&P professionals. Since its founding in 1917, AOPA has worked diligently to establish ourselves as the voice for O&P businesses. Through government relations efforts, AOPA works to raise awareness of the profession and impact policies that affect the future of the O&P industry. AOPA membership consists of more than 2,000 O&P patient care facilities and suppliers that manufacture, distribute, design, fabricate, fit, and supervise the use of orthoses (orthopedic braces) and prostheses (artificial limbs).

The RAND Corporation is an independent, non-profit and non-partisan research institution respected for decades of key contributions to inform public policy debates.

MEDIA CONTACTS: Patrick Mitchell, (703) 276-3266, pmitchell@hastingsgroup.com; or Alex Frank, (703) 276-3264, afrank@hastingsgroup.com.

EDITOR'S NOTE: The Facebook Live webcast will be available after the news event at <u>https://www.facebook.com/AmericanOandP/</u> or @*AmericanOandP*.