

Balanced Budget Act Amendments Should Address Barriers to Patient Access to Medical Technology

President Clinton took an important step to protect patient access to quality care on June 20 when he unveiled a plan to restore Medicare funding to hospitals and other providers. The plan is intended to offset Medicare payment reductions made under the Balanced Budget Act (BBA) of 1997. In making the proposal, the White House cited "recent evidence...that some of this reduction in spending has the potential to undermine access to quality health care services."

In addition to supporting action to address excessive funding cuts under the BBA, hospital managers also have called recently for steps to improve patient access to advanced medical technology. At a press conference last month, for example, two hospital managers cited problems in Medicare's coverage, coding and payment procedures that are restricting patient access to important new treatments.

Hospital experts call for changes in Medicare to ensure patient access to advanced medical technologies.

- Speaking at a May 10 press conference in Washington, Mike Yeager, manager of the heart assist device and heart transplant program at the Cleveland Clinic, raised concern about barriers to Medicare patient access to life-saving left ventricular assist devices. These devices can keep patients alive until a heart transplant becomes available.
- Because of problems in Medicare, Yeager said, "patients who are in the Medicare population waiting in other transplant centers may not have the access to this type of technology and they're more likely to die on the transplant waiting list."
- Terry O'Brien, Chief Operating Officer of Lenox Hill Hospital in New York City, highlighted the problems that patients will have gaining access to a breakthrough cardiology technology – intravascular radiation. Intravascular radiation is expected to be approved by FDA later this year as a treatment for restenosis, or reclosure of coronary arteries after angioplasty.
- "The loss that we'll absorb on [intravascular radiation] is about \$3,000 a case" under Medicare, he reported. "That's a difficult thing for a hospital to absorb when we have no margin...Providing access to Medicare patients is crucial, but it can't be done at the cost of overburdening an already fragile healthcare system."

Ramstad/Thurman bill will improve Medicare patient access to advanced medical technologies.

- Legislation introduced by Reps. Jim Ramstad (R-MN) and Karen Thurman (D-FL) would barriers to patient access that have arisen in Medicare's coverage, coding and payment programs for innovative medical technology.
- **Eliminating coverage delays:** To eliminate the often lengthy delays in Medicare coverage decisions, H.R.

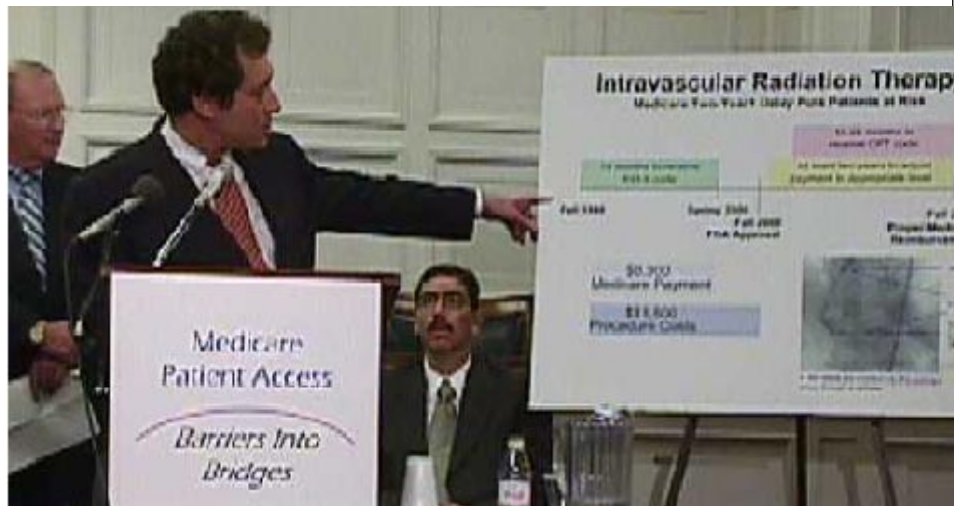
4395 would streamline the Medicare advisory committee review process and require Medicare to issue annual reports on the timeliness of its decisions.

- **Eliminating coding delays:** Patients face an added barrier as a result of Medicare delays of 15-24 months in issuing the procedure codes that health care providers need for new technologies. The Ramstad/Thurman bill would take several steps to reduce these delays, including requiring HCFA to issue temporary codes at the time of FDA review and update codes on a quarterly basis.
- **Keeping Medicare payment current with technology:** To keep Medicare payment systems current with advances in medical technology, H.R. 4395 calls for annual payment updates, improved use of internal Medicare data, broader use of external data, and annual reports on inpatient technology access.
- **Removing access barriers to diagnostic tests:** Medicare problems unique to diagnostics tests often create serious patient access barriers for these products. H.R. 4395 requires Medicare to set clear, open procedures for coding and payment decisions for these products, establish formal methods for setting reimbursement rates and create an appeals mechanism.

QUOTE OF THE WEEK

“Intravascular radiation therapy promises great benefits to many patients and actually can be cost saving. Medicare should work to encourage, not discourage, the availability of this breakthrough technology to American seniors.”

— Dr. Jeffrey Moses, chief of interventional cardiology, Lenox Hill Hospital, New York City



Dr. Jeffrey Moses discusses patient access problems with intravascular radiation therapy while Lenox Hill Hospital administrator Terry O'Brien looks on at left.

RELATED LINKS:

[Statements from hospital managers and other materials](#) from May 10 press conference on the Medicare Patient Access to Technology Act.

[Text of H.R. 4395](#), the Medicare Patient Access to Technology Act.

[White House statement](#) on BBA “give-back” proposal.

[AdvaMed recommendations](#) for improving Medicare’s coverage, coding and payment procedures.