

**Memorandum**

Date **MAY 7 1990**

From Richard P. Kusserow
Inspector General *Bryan Mitchell*

Subject OIG Management Advisory Report: "Pricing of Seat Lift Devices," OEI-02-90-02090

To Gail R. Wilensky, Ph.D.
Administrator
Health Care Financing Administration

This management advisory report provides the Health Care Financing Administration (HCFA) with current availability and pricing information on seat lift mechanisms.

BACKGROUND

The Office of Inspector General (OIG) February 1989 report, "Medicare Coverage of Seat Lift Chairs" (OAI-02-88-00100), concluded that: "There are strong indications that seat lift chairs (SLC) do not qualify as durable medical equipment (DME) under the Medicare program." The OIG recommended that the HCFA "... reconsider whether SLCs, in fact, meet the Medicare definition of DME."

The HCFA agreed with the recommendation and drafted a notice for the Federal Register to exclude coverage of SLCs. The HCFA planned to continue covering seat lift mechanisms that are independent of a complete chair. Concern was expressed within the Office of the Secretary that options other than exclusion were not considered by HCFA, including continuing to cover the seat lift portion of the SLC under existing guidelines. In this context, it was noted that there was no available data to provide estimates of costs associated with the manufacture and sale of the seat lift portion of the SLC. Additionally, little was known about the pricing and availability of seat lifts. As a result, HCFA asked the OIG to obtain information concerning the availability and cost of seat lifts.

FINDINGS

Seat Lift Devices Are Marketed In Two Basic Forms

Independent or Free-Standing Seat Lifts

At least four independent or free-standing seat lift devices are marketed in the United States. They are neither complete SLCs nor patient lifts similar to Hoyer lifts. These devices are free-standing and/or portable and can be placed upon a chair or bench inside and outside the home. They are the: "Assisto-Seat," "Easy-Riser," "Automatic Lifter Seat," and "Pneumatic Lifter Seat."

The "Pneumatic Lifter Seat" operates by using compressed air; the other devices are spring operated. The main features and pricing of these devices are summarized below.

	ASSISTO-SEAT	EASY-RISER	AUTOMATIC LIFTER SEAT	PNEUMATIC LIFTER SEAT
User Weight settings	150 to 220 lbs.	80 to 300 lbs.	150 to 250 lbs.	112 to 300 lbs.
Size: L,W,H Weight	14"x16"x4" 7 lbs.	16 in. square 4.5 lbs.	16 in. square 5 lbs.	16.5 in. square 3.5 in. H
Retail price	\$148.50 to \$159	\$129 to \$169	\$129.99 to \$149.99	\$250.95
Market- ing approach	Catalogue and Surgical Suppliers	Not yet in production	Catalogue Direct Purchase	Catalogue Direct Purchase

Seat Lift Chairs

There are several manufacturers of SLCs marketing them under names such as "Cushion-Lift Chair," "Action-Lift Chair," "Lift O'Matic," and "Easy-Lift." All of these chairs operate electrically, handle body weights up to 400 pounds, and function in one of two ways:

- o elevation of just the seat; and
- o elevation of the entire chair.

The SLCs which operate by the elevation of the entire chair (chair lifts) are currently more heavily marketed than the standard SLC. They are also more expensive. All of these models are reimbursed by the Medicare program when all coverage requirements are met.

Medicare Carriers Pay Only For Seat Lift Chairs

Medicare carriers are not aware of any current allowed charges for any seat lift devices other than SLCs. Carriers cover electrically or hydraulically operated patient lift devices, which are different than SLCs and are used primarily for immobilized or otherwise nonambulatory persons. Some carriers are currently reimbursing both types of SLC (seat lift/chair lift) without justification for the more expensive chair lift. These SLCs are billed at rates of about \$300 to \$500 more than standard SLCs and inflate the prevailing rates for Code 620.

Current reasonable charge rates for purchase and rental of SLCs and related items follow. Code E0620 is for Seat Lift Chairs, E0621 is for Slings or Seat Patient Lifts, E0625 is for Patient Lift-Kartops, E0630 is for Patient Lifts - Hydraulic, and E0635 is for Patient Lifts - Electric:

<u>CODE</u>	<u>PURCHASE</u>		<u>RENTAL</u>	
	<u>HIGH</u>	<u>LOW</u>	<u>HIGH</u>	<u>LOW</u>
E0620	\$1,487 *	\$689.42	\$157.68	\$81.87
E0621	\$ 91.22	\$ 56.95	\$ 9.12**	\$ 9.00**
E0625	NONE	NONE	NONE	NONE
E0630	\$ 982.12	\$737.45	\$ 89.19	\$71.35
E0635	\$1,685.68	\$692.36	\$157.11	\$75.19

* All rates will be reduced 15% effective 04/01/90.

** Only two of carriers in the sample paid a rental rate.

The Veterans Administration Does Not Usually Provide Seat Lift Chairs

Contracting officers for the Department of Veterans Affairs' (VA) Federal Supply Schedules confirmed that SLCs of the type used by Medicare beneficiaries are not contracted for nor supplied to VA centers around the country. The VA generally provides veterans with a variety of patient lifts--usually hydraulically or electrically operated--when they have lost the use of their lower limbs. It may be possible for a local VA center to provide a device such as a SLC on an individual basis, if it is determined a medical necessity.

CONCLUSIONS

This management advisory report is being provided for HCFA's use in developing its regulations on SLCs and seat lifts. We have no formal recommendations.

HCFA COMMENTS

During the exit conference on this report, HCFA staff asked for more information on the manufacturer of the "Pneumatic Lifter Seat." This information was provided informally. No other significant comments or suggestions were made.

Please call me if you have any questions, or your staff may contact Barry Steeley at FTS 646-3138.