

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**MARKETING OF WOUND CARE
SUPPLIES**



JUNE GIBBS BROWN
Inspector General

OCTOBER 1995
OEI-03-94-00791

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EXECUTIVE SUMMARY

PURPOSE

This report describes supplier and nursing home practices that can lead to inappropriate payments for wound care supplies, and examines issues concerning Medicare beneficiaries' use of these supplies.

BACKGROUND

Wound care supplies are protective covers or fillers that treat openings on the body caused by surgical procedures, wounds, or ulcers. The Health Care Financing Administration (HCFA) reimburses for wound care supplies under Medicare Part A through its payments to nursing homes and home health agencies and Medicare Part B through its payment to suppliers. The HCFA broadened its coverage policy on March 30, 1994, allowing payment for secondary as well as primary dressings and including wound treatments by non-physicians.

The HCFA contracted four Durable Medical Equipment Regional Carriers (DMERCs) starting October 1993 to process Part B claims for DME, prosthetics, orthotics, and supplies including wound care supplies. These DMERCs developed revisions to their guidelines for wound care and requested comments in January 1995. These guidelines clarify utilization and medical necessity issues. The effective date for implementing the revised guidelines is October 1, 1995.

This inspection was conducted as part of Operation Restore Trust, a pilot program that coordinates Federal, State, and local anti-fraud activity in California, Florida, New York, Illinois, and Texas. The program will target abuses in home health agencies, nursing facilities, and durable medical equipment, including wound care supplies.

We collected data from both nursing homes and Medicare beneficiaries for this report. We selected a stratified random sample of 420 nursing homes from HCFA's Online Survey Certification and Reporting system and a stratified sample of 469 beneficiaries who received Medicare-reimbursed wound care supplies between June 1994 and February 1995.

FINDINGS

Nursing homes and physicians determine which patients need supplies but some suppliers determine the amount provided.

While most nursing facilities indicate that physicians or nursing staff initially identify that a patient needs wound care supplies, in 23 percent of nursing homes the supplier representative decides the number of supplies to be delivered in a given month.

Wound care supplies are frequently provided in standard kit form to beneficiaries.

More than half of Medicare wound care recipients reported they received their supplies in kit form. Similarly, almost half (45 percent) of nursing homes using Medicare-reimbursed wound care supplies received some or all of these supplies in kit form. Under the new DMERC medical policy to be implemented in October of 1995, supplies provided in these standardized kits would not be covered.

Some suppliers provide inducements to nursing homes and beneficiaries.

Thirteen percent of nursing homes have been offered inducements in exchange for allowing suppliers to provide wound care products to patients in their facility. Information from nursing homes and beneficiaries indicates that some suppliers may be routinely waiving the Medicare beneficiary coinsurance, a practice that violates the Medicare statutes.

Beneficiaries may not be receiving or using all of the wound care supplies reimbursed by Medicare.

Medicare may be reimbursing for wound care supplies that are not needed by beneficiaries since both nursing homes and beneficiaries report not always using all the supplies they receive. In addition, many nursing homes have no method of ensuring that supplies are used by the beneficiary for which Medicare was billed. Medicare and beneficiaries may be paying for wound care supplies that are not used specifically by them.

CONCLUSION

The information in this report is intended to add to the body of knowledge being developed concerning the use of wound care supplies for Medicare beneficiaries. It is being issued with two other reports on this subject. These products are part of a broader strategic effort designed to assess payments made on behalf of Medicare beneficiaries in nursing homes. Information from previous OIG reports coupled with the current findings on wound care provide continued support for the effort by HCFA to require the bundling of services in nursing homes. This solution would emphasize nursing homes' responsibilities for management of patient care and provide incentives for the appropriate use and prudent purchase of supplies, since it would be nursing homes and not suppliers who would receive Medicare reimbursement for these supplies.

COMMENTS

We solicited and received comments on our draft reports from HCFA and other concerned organizations. The organizations that provided us with responses were the Health Industry Distributors Association (HIDA), the Health Industry Manufacturers Association (HIMA), and the National Association for the Support of Long Term

Care (NASL). However, HIMA chose not to provide specific comments on this report. The full text of the comments from HCFA and the outside organizations can be found in a companion report entitled *Questionable Medicare Payments for Wound Care Supplies (OEI-03-94-00790)*.

The HCFA agreed with the recommendations in the companion report, *Questionable Medicare Payments for Wound Care Supplies*. In addition, HCFA responded that they have developed a legislative proposal to require bundling of services, including wound care supplies, in Medicare and Medicaid payments to nursing homes. They believe that this may serve as an incentive for nursing homes to more closely monitor the use of wound care supplies.

The outside organizations commented that they strongly support HCFA's expansion of the national coverage policy for wound care supplies and that no reduction in the current scope of the benefit should be considered. They believe that the DMERCs' delay in implementing wound care policies and utilization standards after HCFA's expansion of the policy was the primary factor in creating an environment ripe for potential abusive practices. Both HIDA and NASL expressed concerns that our wound care surveys were misleading and biased and unlikely to provide meaningful data. Nevertheless, they both stated that the results of the surveys show that the majority of suppliers and facilities act responsibly in operating their businesses. The HIDA also responded that we incorrectly implied that legitimate market-driven supplier services were inappropriate.

While we believe the initial lack of DMERC policies without utilization standards for wound care supplies played a part in allowing abuses to occur, we do not believe it to be the entire cause of abusive supplier practices. Even without specific utilization standards, suppliers are supposed to be able to support the medical necessity of the wound care products they deliver.

In response to HIDA and NASL concerns that our surveys for this report were misleading and biased, we believe that the questions in our survey were appropriate in their wording. The Medicare beneficiary survey was designed to be easily understood and completed by the sample population. We do not feel the questions were misleading to beneficiaries nor were they intentionally designed to solicit biased or untrue information. The nursing home survey was designed to obtain comparable data from a large number of respondents on a wide range of issues relating to wound care.

In response to HIDA's concerns that we were critical of legitimate services that supplier perform on behalf of their customers, we believe that we presented the information in a fair manner and did not draw conclusions that could not be adequately supported. We are by no means concluding in this report that all suppliers are involved in questionable practices. In fact, we highlighted in our companion report on questionable Medicare payments that three-quarters of the excessive payments we identified in our sample were made to only 7 percent of all suppliers in the sample. However, we do believe that some of the practices reported by nursing

homes and beneficiaries such as determining the number of supplies to be delivered and routinely waiving coinsurance amounts raise concerns about the legitimacy of certain services that suppliers provide.

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INTRODUCTION

PURPOSE

This report describes supplier and nursing home practices that can lead to inappropriate payments for wound care supplies, and examines issues concerning Medicare beneficiaries' use of these supplies.

BACKGROUND

Wound care supplies are fillers or protective covers that treat openings on the body caused by surgical procedures, wounds, or ulcers. Wound covers are flat dressing pads. Wound fillers are dressings placed into open wounds to eliminate dead space, absorb exudate, or maintain a moist wound surface. The Health Care Financing Administration (HCFA) reimburses for wound care supplies under the Medicare Part B program's surgical dressing benefit. The coverage policy for these supplies is found in section 2079 of the Medicare Carriers Manual. The HCFA contracts four Durable Medical Equipment Regional Carriers (DMERCs) to process durable medical equipment claims including wound care supplies. The DMERCs issue their own guidelines to clarify their coverage policy.

Medicare Part B Allowances for Wound Care Supplies: 1990 - 1994

There were significant changes in wound care activity between 1990 and 1994. Medicare Part B allowances were as low as \$50 million in 1992, peaked in 1993 at \$132 million, then dropped to \$98 million in 1994. The number of beneficiaries that annually received these supplies ranged from 86,600 in 1993 to as high as 273,300 in 1991. Allowances per beneficiary varied from \$199 in 1990 to \$1,526 in 1993. Between 1993 and 1994 the number of Medicare beneficiaries that received wound care supplies increased 47 percent.

In 1994, 61 percent of the average allowance per beneficiary was for specialty dressings. Medicare fee schedule amounts for specialty dressings are as high as \$35 for large hydrogel wound covers. Eleven of the specialty wound care products are reimbursed by Medicare at over \$10. Prior to 1992, Medicare reimbursed for wound care supplies primarily in a single kit payment. These kits were a compilation of wound care supplies and were reimbursed at \$8 each in 1992. Billing for kits as one product was disallowed in 1992. However, component supplies contained in a kit can still be billed as individual products. As a result, the number of billings for wound care supplies has increased over six times from 13 million in 1991 to 81 million in 1994. The table on the next page summarizes surgical dressing activity for calendar years 1990 through 1994.

Table 1. Wound Care Supply Activity: 1990 - 1994

Activity	1990	1991	1992	1993	1994
Allowances	\$53 million	\$87 million	\$50 million	\$132 million	\$98 million
Beneficiaries	266,400	273,300	117,300	86,600	127,300
Per Beneficiary	\$199	\$317	\$423	\$1,526	\$769
No. of Supplies	N/A	13 million	45 million	69 million	81 million

The HCFA Broadens its Coverage Policy for Wound Care Supplies

On March 30, 1994, HCFA expanded its coverage policy for wound care supplies. The new policy provides coverage for "primary and secondary dressings required for the treatment of a wound caused by, or treated by, a surgical procedure that has been performed by a physician or other health care professional." Primary dressings are therapeutic or protective coverings applied directly to wounds or lesions either on the skin or caused by an opening to the skin. These include alginate, foam, specialty absorptive, hydrogel, hydrocolloid, and composite dressings. Transparent film and contact layers also serve as primary dressings. Secondary dressings serve a therapeutic or protective function and typically are needed to secure a primary dressing. Items such as adhesive tape, roll gauze, and bandages are examples of secondary dressings.

The Prior Coverage Policy Was More Restrictive

The HCFA national policy and the DMERCs' policies prior to March 30, 1994 were more restrictive. Stringent requirements were placed on the type of dressings, length of treatment, cause of wound, type of provider, and medical documentation. The DMERCs' policy before the expansion of the national policy covered only primary dressings resulting from a surgical procedure for usually no more than 2 weeks. This policy stated that "surgical dressings for closed incisions without drainage would rarely be medically necessary for more than 1 week" and "when an ulcer, traumatic wound, or burn has had sharp debridement, it will be considered a surgical wound for no more than 2 weeks from the date of debridement."

Prior to March 30, 1994, the HCFA national policy would allow dressings to be covered for treatment of wounds that resulted from sharp debridement (e.g., scalpel, laser) performed **only** by physician. The DMERC local policies stated that dressings for other types of debridement (e.g., mechanical, chemical, autolytic) were not covered. Wound care suppliers were required by DMERCs to submit a certificate of medical necessity to document the need for the products. After the policy change in March 1994, this was no longer required. The table on the following page compares the wound care supply policy before and after March 30, 1994.

Table 2. Comparison of Wound Care Supply Coverage Policies

Wound Care Supply Coverage Policy Prior to March 30, 1994	Wound Care Supply Coverage Policy Effective March 30, 1994
Only primary dressings	Primary and secondary dressings
Time limits on medical necessity	As long as medically necessary
Dressings for sharp debridement only	Any type of debridement
Limited to physician treatments	Physician and non-physician treatments
Certificate of Medical Necessity required	Certificate of Medical Necessity not required

Carrier Processing of Wound Care Supplies

In June 1992, HCFA issued a final rule designating four DMERCs to process all claims for durable medical equipment, prosthetics, orthotics, and supplies including wound care supplies. The four carriers are the MetraHealth Insurance Company (DMERC A), AdminaStar Federal (DMERC B), Palmetto Government Benefits Administrators (DMERC C) and Cigna Healthcare (DMERC D). In October 1993, HCFA began the transition to the DMERC processing of wound care supply claims. During 1994, 56 carriers also processed wound care claims before the transition to DMERCs was complete. During the transition, these carriers did not utilize the DMERC policies; they carriers used their own local policies to process claims.

The DMERCs Implement a Fee Schedule and Introduce New Codes

Starting in June 1994, reimbursements for wound care supplies were based on a fee schedule. The DMERCs introduced over 60 codes for wound care products to implement the fee schedule. Prior to June, less than 20 codes were used to identify and reimburse wound care supplies. The DMERCs granted a grace period for all but two old codes submitted through October 1, 1994. During the grace period the DMERC would crosswalk the old code to the appropriate new code.

The DMERCs Issue Draft Policy to Clarify Wound Care Coverage

Each DMERC, working with HCFA, developed a policy to clarify the coverage of the wound care benefit. Included in these guidelines are definitive utilization and medical necessity parameters. In addition, modifiers to the codes have been added to identify the number of wound sites being treated. In January 1995, the DMERCs solicited comments on these guidelines. After evaluating the comments, the DMERCs issued a revised policy to be effective October 1, 1995.

This change was initiated in part as a response to organizations in the wound care community that expressed the need for clarification. For example, the Health Industry

Distributors Association in cooperation with the National Coalition for Wound Care, the National Association of Retail Druggists, and the National Association for the Support of Long Term Care developed consensus recommendations for improving the Medicare wound care policy. These changes were recommended prior to the release of the proposed changes in January 1995.

The General Accounting Office Discloses Wound Care Supply Abuses

The General Accounting Office (GAO) issued a final report, *Medicare Excessive Payments for Medical Supplies Continue Despite Improvements (HEHS-95-171)*, in August 1995 concerning payment controls for Medicare expenditures of durable medical equipment with an emphasis on wound care supplies. The GAO found a "lack of system wide controls" which led to abuse in both Part A and Part B. For example, the number of dressings billed per beneficiary was nearly three times higher under 29 new wound care codes. They attribute this activity to the absence of a clearly defined policy.

Operation Restore Trust Targets Health Care Abuse in Five States

Operation Restore Trust is a health care anti-fraud demonstration project developed within the U.S. Department of Health and Human Services by the Office of Inspector General, the Health Care Financing Administration, and the Administration on Aging. Its aim is to coordinate Federal and State resources to attack fraud and abuse in home health agencies, nursing facilities, and durable medical equipment, including wound care supplies. The project's initial focus will be in California, Florida, New York, Illinois, and Texas.

METHODOLOGY

For the purposes of this report, we collected data from both nursing homes and Medicare beneficiaries.

Nursing Home Sample

To determine how suppliers market wound care supplies and how nursing homes handle the provision of these supplies, we selected a stratified random sample of 420 skilled nursing facilities and nursing homes from HCFA's Online Survey Certification and Reporting (OSCAR) system. The system contains every nursing home that is certified to receive Medicare or Medicaid funds. We decided to sample nursing homes from the OSCAR system that had a total size of 60 beds or more. This gave us a universe of 12,878 nursing homes from which we selected our sample.

We selected a stratified sample so that we could provide more focused information on five States: California, Florida, Illinois, New York, and Texas. These States are currently being targeted by Operation Restore Trust. We stratified our sample into six groups including the five States and all other remaining States. We sampled a total of

420 nursing homes; the number of nursing homes from each stratum is shown in the table below.

Strata	Nursing Home Universe	Sample
California	931	60
Florida	565	60
Illinois	700	60
New York	584	60
Texas	964	60
Other States	9,134	120
Total	12,878	420

We sent identical questionnaires to the administrators of the 420 nursing homes. Surveys were returned by 315 nursing homes giving us an overall response rate of 75 percent. We chose to project responses only to the responding universe and not to the total universe of 12,878 nursing homes. Responses from the 315 nursing homes were weighted by stratum and projected only to the responding universe of 9,770 nursing homes.

In order to accurately project responses to the total universe, we would have had to perform an analysis of non-respondents to evaluate the characteristics of nursing homes who chose not to respond. Because we knew very little about the non-responding nursing homes, we decided to use the more conservative responding universe. The survey instrument, nursing home responses, and an accompanying explanation of the survey results appear in Appendix A.

Beneficiary Sample

To collect information from Medicare beneficiaries who used wound care supplies, we sampled beneficiaries for whom Medicare Part B paid at least \$20 for wound care supplies between June 1994 and February 1995. We selected a stratified random sample drawn from the National Claims History 1 percent sample file. This file includes allowed claims paid by Medicare in 1994 and the early part of 1995. As selection criteria, we used 85 billing codes which represent the types of supplies used by beneficiaries requiring wound care supplies.

After we removed deceased individuals identified through information in HCFA's Enrollment Database, we found that 624 beneficiaries met our selection criteria in the 1 percent sample file.

We stratified our sample into the following two groups: individuals with \$1,000 or more allowed dollars for wound care supplies and individuals with \$20 to \$999 of allowed dollars for wound care supplies between June 1994 and February 1995. We sampled 469 beneficiaries; the number of beneficiaries from each stratum is presented in the table below.

Strata	Estimated Universe	Sample
Over \$1,000	16,900	169
Under \$1,000	45,500	300
Total	62,400	469

We mailed questionnaires to 469 beneficiaries across the country, we received 238 responses for a response rate of 51 percent. The responses from these beneficiaries were weighted by stratum and projected to 31,871 beneficiaries nationwide. As was the case in the nursing home sample, we chose to project the beneficiary responses to the responding universe and not the total universe of beneficiaries (62,400) receiving Medicare-reimbursed supplies. We selected the more conservative approach, since we did not do an analysis of non-responses and therefore could not determine if there would be bias among that group. A sample of the survey instrument, confidence intervals, and beneficiary responses appear in Appendix B.

This report is one of three reports concerning Medicare payments for wound care supplies. A second report, *Questionable Medicare Payments for Wound Care Supplies (OEI-03-94-00790)*, identifies questionable billing practices for wound care suppliers under Medicare Part B. The third report, *Wound Care Supplies: Operation Restore Trust Data (OEI-03-94-00792)*, provides more detailed billing and marketing information on wound care supplies in the five Operation Restore States.

This inspection was conducted in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

FINDINGS

NURSING HOMES AND PHYSICIANS DETERMINE WHICH PATIENTS NEED SUPPLIES BUT SOME SUPPLIERS DETERMINE THE AMOUNT PROVIDED.

Nursing home responses indicate that they and not suppliers are responsible for determining if a patient needs wound care supplies. More than two-thirds of nursing homes report that nurses initially identify a patient's need for wound care supplies. Thirty-five percent indicate that physicians also provide the initial identification.

However, in some nursing homes, suppliers are determining the amount of supplies ordered for patients. While most nursing facilities indicate that physicians or nursing staff initially identify that a patient needs wound care supplies, in 23 percent of nursing homes the supplier representative decides the number of supplies to be delivered in a given month.

Suppliers have also attempted to determine which nursing home patients need wound care supplies. Almost one-third (32 percent) of nursing homes had suppliers attempt to determine which Medicare-eligible patients qualified for wound care supplies.

Wound care suppliers have requested to review medical records in 17 percent of nursing homes. These homes report that the reason suppliers give for review records is to determine the eligibility of patients, view the physician orders, record treatment progression, and to gather supporting documentation for billing purposes. In addition to reviewing patient medical records, suppliers have suggested to 17 percent of nursing homes how medical records should be documented to support the need for wound care supplies.

More than any other method, nursing homes become aware of new wound care products through supplier representatives. Sixty-seven percent of nursing homes receive their information about advances in wound care treatment from supplier representatives. Forty-five percent of nursing home also have received information from training sessions or conferences offered by wound care suppliers. Nursing home staff also become aware of new products through medical literature and training provided by local medical and nursing associations. Additional avenues for education identified by nursing homes include corporate training staffs, enterostomal therapist consultants, and word of mouth among nursing home colleagues.

Seventy percent of nursing homes have had suppliers offer training to their staff concerning the treatment and care of wounds. Suppliers have provided wound care specialists or specialty nurses in more than one third of nursing homes (36 percent) to assist nursing home staff in patient care or in developing a treatment plans. These specialists have been provided to nearly half of all nursing homes (47 percent) which use Medicare-reimbursed supplies.

The nursing homes offered mixed review of the helpfulness of supplier assistance and training. One nursing home responded that the nurse consultants sent to review wounds in the facility have no more "additional training than staff nurses already employed by home." Another nursing home said that after a doctor recommended using a particular wound care supplier for his patient, it was the supplier representative and not a nurse that came in to see the patient. This particular nursing home refused to provide the representative with access to the patient "since he was not a medical person." However, a third nursing home reported that their "supplier has been very helpful when called upon for a challenging skin/wound care situation."

WOUND CARE SUPPLIES ARE FREQUENTLY PROVIDED IN STANDARD KIT FORM TO BENEFICIARIES.

More than half of Medicare wound care recipients reported they received their supplies in kit form. Similarly, almost half (45 percent) of nursing homes using Medicare-reimbursed wound care supplies received some or all of these supplies in kit form.

Under the new DMERC medical policy to be implemented in October of 1995, individual supplies provided in these standardized kits would not be covered. The policy states that "surgical dressings must be tailored to the specific needs of an individual patient." The policy goes on to say that "this cannot be accomplished when dressings are provided as kits or trays containing fixed quantities and/or multiple types of dressings."

The DMERC policy defines a surgical dressing kit as a non-individualized, standardized packaging containing repetitive quantities of dressings not related to the individual medical needs of a beneficiary, or whose contents have not each been prescribed for the care of the specific wounds of that beneficiary, or that contain materials in addition to surgical dressings.

Many of the kits received by the nursing homes in our survey would not be covered if one applies the DMERC definition of non-individualized, standard surgical dressing or wound care kit. Almost one quarter (24 percent) of nursing homes reported that the same basic wound care kit is provided to every Medicare beneficiary requiring wound care supplies in their facilities. Only 16 percent of nursing homes have asked a supplier to make changes to their standard kits.

Many of the wound care kits received by nursing homes also contain many materials in addition to the surgical dressings that Medicare covers. Thereby, these kits would also be excluded from coverage based on the new DMERC policy. When asked to provide the contents of a typical wound care kit, the items most frequently cited by nursing homes are listed in the table on the top of the next page. The only items in the table that are covered by Medicare under the wound care benefits are gauze, tape, and ABD pads (an absorptive specialty dressing).

**ITEMS MOST FREQUENTLY INCLUDED
IN WOUND CARE KITS**

GAUZE
GLOVES
TAPE
WASTE DISPOSAL BAG WITH TIE
SALINE SOLUTION
ABD PADS
DRAPE/STERILE FIELD/TOWEL
FORCEPS/SCISSORS
COTTON TIP APPLICATOR (Q-TIPS)
MEASURING DEVICE (RULER)

Suppliers have provided nursing homes with misleading information in regards to wound care kits.

Eleven percent of nursing homes have been incorrectly told by suppliers that Medicare requires the use of kits when treating a wound. Wound care suppliers in 12 percent of nursing homes have also suggested that a standard number of wound care kits should be used per day on patients. Eleven percent of nursing homes have also been erroneously informed that Medicare will cover routine items such as saline solution if gauze or specialty dressings are purchased. Medicare does not consider saline solution a covered item when used for the purposes of moistening dressings or irrigating a wound.

SOME SUPPLIERS PROVIDE INDUCEMENTS TO NURSING HOMES AND BENEFICIARIES.

Thirteen percent of nursing homes have been offered inducements in exchange for allowing suppliers to provide wound care products to patients in their facility. Seventeen percent of nursing homes with Medicare-reimbursed products have been offered these inducements. The inducements range from free trial products to cameras, blenders, and diamond rings.

Suppliers may not be following Medicare regulations with regards to beneficiary coinsurance. Information from nursing homes and beneficiaries indicates that suppliers may not be billing beneficiaries for the coinsurance amount. Beneficiaries are required to pay (unless there is financial hardship) a 20 percent portion of the costs of their wound care supplies. However, 27 percent of beneficiaries (9,263) did not pay coinsurance for their wound care supplies nor did they have some other form of insurance which would have paid the coinsurance amount. In addition, 28 percent of nursing homes have been told by suppliers that wound care supplies will be provided to Medicare beneficiaries at no cost to the patient. One nursing home stated

that suppliers' "main selling point is 'it won't cost your facility, or your residents anything and we'll handle all the paperwork.'"

The OIG has in the past taken the position that routine waiver of Part B copayments may be prohibited under fraud and abuse laws. First, routine waiver may constitute a violation of the Medicare and Medicaid Anti-Kickback provision, 42 U.S.C. § 1320a-7b(b), if the purpose of the routine waiver is to induce Medicare or Medicaid business. Second, a provider's routine waiver of a beneficiary's obligation to pay may result in the filing of a Medicare or Medicaid claim that is false in that it misrepresents the actual amount charged for the item or service. Anti-kickback violations and false claim may be actionable under criminal, civil, and administrative authorities.

Some suppliers appear to specialize in the Medicare market. One-fifth (20 percent) of nursing homes report that their suppliers provide wound care products only to the Medicare eligible patients in their facility. In addition, 31 percent of nursing homes have had suppliers attempt to determine which patients in their facility qualify for Medicare reimbursement.

BENEFICIARIES MAY NOT BE RECEIVING OR USING ALL OF THE WOUND CARE SUPPLIES REIMBURSED BY MEDICARE.

Medicare may be reimbursing for wound care supplies that are not needed by beneficiaries. Eleven percent of beneficiaries reported they used either none or only some of the wound care supplies they received. Fifteen percent of nursing homes report that they do not typically use all of the supplies in wound care kits. The items most frequently cited as not being used are gauze, ABD pads, and tape. These are also the only items in a standard kit for which Medicare pays.

More than one-quarter of beneficiaries (28 percent) reported they used wound care supplies on wounds other than those resulting from surgery on pressure ulcers. Some of these beneficiaries used these wound care supplies for colostomies and catheters where in certain instances gauze is covered by Medicare. However, other beneficiaries used wound care supplies for tracheotomies and feeding tubes. These supplies may be more appropriately covered under Medicare's tracheotomy or enteral nutrition benefits than the surgical dressing or wound care benefit. Beneficiaries also reported using wound care supplies for skin tears and abrasions which should not be covered under the Medicare wound care benefit.

Many nursing homes have no method of ensuring that supplies are used by the beneficiary for which Medicare was billed.

The majority of nursing homes indicated that they do not have tracking mechanisms to ensure that supplies are used only by the specific beneficiary for which Medicare was billed. In almost half of all nursing homes using Medicare-reimbursed supplies (46 percent), these supplies are not identified or marked for use by specific patients when delivered. After receiving wound care supplies, 67 percent of nursing homes take

these supplies and store them in a general supply room. However, several of these nursing homes report that if the supply is sent for a specific beneficiary they will store them by the patient name in the supply room.

Medicare and beneficiaries may be paying for wound care supplies that are not used specifically by them. More than one-quarter of nursing homes using Medicare-reimbursed supplies (26 percent) reported that unused or excess supplies are stored and used for all patients in the facility. Another 8 percent of nursing homes reported receiving wound care products from suppliers that they did not order.

CONCLUSION

The information in this report is intended to add to the body of knowledge being developed concerning the use of wound care supplies for Medicare beneficiaries. It is being issued with two other reports on this subject. The first report, *Questionable Medicare Payment for Wound Care Supplies*, describes trends in utilization before and after the expansion of Medicare coverage policy for wound care supplies. The second report, *Wound Care Supplies: Operation Restore Trust States*, provides more specific utilization and supplier marketing information for California, New York, Illinois, Texas and Florida.

These products are part of a broader strategic effort designed to assess payments made on behalf of Medicare beneficiaries in nursing homes. We have previously reported on the use of incontinence supplies in nursing homes, nonprofessional services in nursing homes, and the range of services and supplies provided to Medicare beneficiaries in skilled nursing facilities.

Information from these reports coupled with the current findings on wound care provide continued support for the effort by HCFA to require the bundling of services in nursing homes. This solution would emphasize nursing homes' responsibilities for management of patient care and provide incentives for the appropriate use and prudent purchase of supplies, since it would be nursing homes and not suppliers who would receive Medicare reimbursement for these supplies.

AGENCY AND OUTSIDE ORGANIZATIONS' COMMENTS

We solicited and received comments on our draft reports from HCFA and other concerned organizations. The organizations that provided us with responses were the Health Industry Distributors Association (HIDA), the Health Industry Manufacturers Association (HIMA), and the National Association for the Support of Long Term Care (NASL). However, HIMA chose not to provide specific comments on this report. The full text of the comments from HCFA and the outside organizations can be found in a companion report entitled *Questionable Medicare Payments for Wound Care Supplies (OEI-03-94-00790)*. A summary of the comments and our response follows.

HCFA Comments

The HCFA agreed with the recommendations in the companion report, *Questionable Medicare Payments for Wound Care Supplies*. In addition, HCFA responded that they have developed a legislative proposal to require bundling of services, including wound care supplies, in Medicare and Medicaid payments to nursing homes. They believe that this may serve as an incentive for nursing homes to more closely monitor the use of wound care supplies. The HCFA also provided us with a technical comment

concerning the need to emphasize the difference between national and regional coverage policies on wound care supplies.

Outside Organizations' Comments

The organizations commented that they strongly support HCFA's expansion of the national coverage policy for wound care supplies and that no reduction in the current scope of the benefit should be considered. They believe that the DMERCs' delay in implementing wound care policies and utilization standards after HCFA's expansion of the policy was the primary factor in creating an environment ripe for potential abusive practices. While the organizations support the need for implementing DMERC medical policies for wound care supplies that reflect current clinical practice, they also believe that some of the utilization standards in the DMERC policy to be implemented on October 1, 1995 are incorrect and need to be resolved before implementation occurs. The NASL and HIMA also stated that the DMERC policy prior to March 30, 1994 that we discuss in the background section of our report was never fully implemented.

Both HIDA and NASL expressed concerns that our wound care surveys were misleading and biased and unlikely to provide meaningful data. Nevertheless, they both stated that the results of the surveys show that the majority of suppliers and facilities act responsibly in operating their businesses.

The HIDA responded that we incorrectly implied that legitimate market-driven supplier services were inappropriate. They reported that they provide critical functions which hold down or eliminate costs the nursing facility would otherwise incur. These services include billing/collection activities, bar code technology for order processing and handling of supplies, delivery/transportation/inventory management activities, and value added services such as training on product availability and appropriateness of clinical objectives.

OIG RESPONSE

While we believe the initial lack of DMERC policies without utilization standards for wound care supplies played a part in allowing abuses to occur, we do not believe it to be the entire cause of abusive supplier practices. Even without specific utilization standards, suppliers are supposed to be able to support the medical necessity of the wound care products they deliver. Some of the examples of questionable billings that we encountered in our questionable Medicare payments report were not mere misunderstandings of medical policies for wound care. For example, when suppliers are billing for amounts large enough to purchase 12.5 miles of tape or 5 gallons of hydrogel wound filler in a 6-month period this would fall out of even the most generous clinical guidelines.

We have made changes in the report to reflect the comments that HCFA made about clarifying the difference between national and local policies. We have also added

additional language in the report to emphasize that during the phase-in of the DMERCs, the previous carriers were still processing claims using their own policies.

In response to HIDA and NASL concerns that our surveys for this report were misleading and biased, we believe that the questions in our survey were appropriate in their wording. The Medicare beneficiary survey was designed to be easily understood and completed by the sample population. We do not feel the questions were misleading to beneficiaries nor were they intentionally designed to solicit biased or untrue information.

The nursing home survey was designed to obtain comparable data from a large number of respondents on a wide range of issues relating to wound care. We realize that some of these issues are complex and nursing homes may have felt the need to provide more detailed responses. Therefore, each facility had the option to complete the "Additional Comments" section of the questionnaire if they felt additional information was warranted. Many did use this option and also provided additional information directly underneath many of the questions. This information was included in our analysis of the data provided by the surveys. In addition, each nursing home was afforded the opportunity to call our toll-free number if they had concerns or needed clarification about the survey questions.

In response to HIDA's concerns that we were critical of legitimate services that supplier perform on behalf of their customers, we believe that we presented the information in a fair manner and did not draw conclusions that could not be adequately supported. For many of the services that HIDA reported suppliers provide to nursing homes, we did not collect information from nursing homes that would enable us to evaluate these services. We did, however, report that suppliers provide training and technical assistance to nursing home staff. Information on the helpfulness of this assistance is outlined in our report and includes both favorable and unfavorable comments by nursing home staff.

We are by no means concluding in this report that all suppliers are involved in questionable practices. In fact, we highlighted in our companion report on questionable Medicare payments that three-quarters of the excessive payments we identified in our sample were made to only 7 percent of all suppliers in the sample. However, we do believe that some of the practices reported by nursing homes and beneficiaries such as determining the number of supplies to be delivered and routinely waiving coinsurance amounts raise concerns about the legitimacy of certain services that suppliers provide.

We believe the data we received from the surveys was meaningful and presented a broad picture of supplier and nursing home practices with regards to wound care supplies, and provided useful information on Medicare beneficiaries use of these supplies.

APPENDIX A

NURSING FACILITY SURVEY INSTRUMENT AND RESPONSE RATES

Each nursing home in our sample was asked to complete a 48 question survey. The questions for the survey were developed by reviewing information on wound care supplies produced by HCFA, the Durable Medical Equipment Regional Carriers, wound care suppliers, and professional organizations.

For most questions, we report the percentage of nursing home responses to the question and the projected number of responses. The percentages have been rounded to the nearest whole number and therefore will not always add up to exactly 100 percent. The projected numbers have been rounded and will therefore not always add up to exactly 9,770 nursing homes. In addition, for several questions respondents selected more than one answer. These questions are identified by an asterisk in the sample survey instrument that follows.

We also report the semi-width for each of the response percentages at the 95 percent confidence level. The semi-width is the standard error of the projection multiplied by 1.96. The semi-width added or subtracted to the percentage provides a 95 percent confidence interval. The range of the 95 percent confidence interval is presented in the table following each question.

In the several questions where respondents were asked to provide numerical data (e.g., number of beds or percentage of patients receiving wound care supplies), an average number or percentage is provided. For questions where we requested textual responses, a percentage of respondents who provided written responses is given. In addition, when written responses were furnished, these questions were analyzed for content and used in the report. However, due to the length of the responses, they are not presented in this Appendix.

There are instances in the report where information from a subset of nursing homes which used Medicare-reimbursed wound care supplies for patients is presented. These data were developed by evaluating responses from just the 55 percent of nursing homes (5,379 projected number of facilities) who answered "yes" to question six of the survey- "are any of the surgical dressings or wound care supplies used for patients in your nursing facility billed to Medicare Part B."

2. How many beds does your nursing facility contain?

Response	Average	95 % Confidence Interval
Number of Beds	137.1	±11.9

3. How many patients are currently residing in your facility?

Response	Average	95 % Confidence Interval
Number of Patients	111.6	±8.3

4. What percentage of your population is eligible for Medicare Part B Coverage?

Response	Average	95 % Confidence Interval
Percent Eligible for Medicare Part B Coverage	84.3	±4.0

5. What percentage of your current patient population receive surgical dressings or wound care supplies (e.g. gauze, hydrogel or alginate dressings, wound pouches)?

Response	Average	95 % Confidence Interval
Percent of Patients Receiving Wound Care Supplies	10	±1.8

6. Are any of the surgical dressings or wound care supplies used for patients in your nursing facility billed to Medicare Part B?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	55	±7.5	5380
No	40	±7.4	3917
No Response	5	±3.4	474

7. Does your nursing facility directly bill Medicare Part B for wound care supplies or do you have at least one external supplier who bills Medicare Part B directly for these supplies?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Nursing Facility is sole supplier	31	±7.1	3005
At least one external supplier	45	±7.5	4371
Other (please specify)	19	±5.9	1862
No Response	5	±3.2	532

8. Do you have a wound care supplier that provides wound care products only to the Medicare-eligible patients in your facility?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	20	±5.8	1944
No	77	±6.2	7491
No Response	3	±2.7	335

9. How did your facility become aware of the suppliers you use?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Through supplier advertisements	18	±6.1	1723
Through supplier direct mail marketing	7	±4.0	651
Through supplier representative/salesperson visit	63	±7.1	6182
Other (please specify)	36	±7.3	3511
No Response	7	±3.3	718

* more than one answer was selected by some respondents

Use of Wound Care Supplies

10. Who initially identifies that a patient has a need for wound care supplies?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Family Physician	35	±7.2	3393
Medical Director of Nursing Facility	8	±4.2	808
Supplier Representative	1	±1.6	134
Director of Nursing	27	±6.6	2662
Nurse/Nursing Facility Attendant	66	±7.0	6457
Wound Care Specialist Contracted by Nursing Facility	5	±2.8	487
Other (please specify)	13	±4.8	1247
No Response	0.2	±0.3	16

* more than one answer was selected by some respondents

11. Who decides what specific supplies will be ordered for the patient?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Family Physician	61	±7.3	5975
Medical Director of Nursing Facility	12	±5.0	1157
Supplier Representative	2	±2.2	236
Director of Nursing	25	±6.2	2479
Nurse/Nursing Facility Attendant	36	±7.3	3543
Wound Care Specialist Contracted by Nursing Facility	12	±4.9	1158
Inventory Supervisor	3	±2.7	333
Other (please specify)	18	±5.8	1726
No Response	1	±1.5	92

* more than one answer was selected by some respondents

12. How are the wound care supplies initially ordered?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Nursing facility contacts supplier	80	±6.0	7802
Supplier is told of need when supplier representative or delivery person visits	6	±3.5	599
Supplier suggests wound care supplies would be appropriate for certain patients	4	±2.7	359
Other (please specify)	15	±5.6	1504
No Response	2	±2.2	222

* more than one answer was selected by some respondents

13. At which stages of a pressure ulcer, do you use Medicare-reimbursed wound care supplies on patients?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Stage I	9	±4.6	892
Stage II	27	±6.9	2683
Stage III	62	±7.3	6039
Stage IV	48	±7.5	4644
Other (please specify)	20	±6.0	1937
No Response	10	±4.5	978

* more than one answer was selected by some respondents

Supplier Marketing Practices

14. Have supplier representatives ever tried to market their wound care products directly to patients?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	6	±3.4	541
No	94	±3.4	9192
No Response	0.4	±0.4	37

15. Have supplier representatives ever helped you determine which patients in your facility qualify for Medicare reimbursement of wound care supplies?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	31	±7.0	2992
No	68	±7.1	6677
No Response	1	±1.6	102

16. Have supplier representatives ever attempted to help you determine which Medicare-eligible patients in your facility need various wound care supplies?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	32	±7.2	3152
No	67	±7.3	6517
No Response	1	±1.6	102

17. Have supplier representatives ever attempted to help you determine if patients not eligible for Medicare need various wound care supplies?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	23	±6.5	2252
No	75	±6.7	7331
No Response	2	±2.2	187

18. Have you ever been offered inducements by suppliers such as free products to allow them to provide wound care supplies to your patients?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	13	±5.1	1316
No	85	±5.3	8314
No Response	1	±1.6	141

If yes, please describe the nature of such inducements.

Response	Percentage
Provided Information	91
Did Not Provide Information	9

19. Has a supplier ever provided you with the necessary prescription forms to be filled out by your facility's physician or the patient's family physician?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	10	±4.1	950
No	89	±4.4	8685
No Response	1	±1.6	135

20. Has a supplier ever filled out the prescription form and presented it to you for the physician's signature?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	7	±3.7	688
No	91	±4.1	8907
No Response	2	±1.7	176

21. Does the supplier representative decide the number of supplies to be delivered in a given month?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	23	±6.4	2213
No	74	±6.7	7201
No Response	4	±2.7	356

22. Have you ever been told by a supplier that Medicare requires the use of certain types of products on patients suffering from wounds?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	8	±4.0	796
No	90	±4.5	8791
No Response	2	±2.2	184

23. Have you ever been told by a supplier that Medicare requires the use of wound care kits on Medicare beneficiaries?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	11	±4.9	1069
No	88	±5.1	8568
No Response	1	±1.6	134

24. Has a supplier ever told you that wound care supplies will be provided to Medicare beneficiaries at no cost to the patient?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	28	±6.9	2741
No	70	±7.0	6794
No Response	2	±2.2	236

25. Is the same basic wound care kit provided to every Medicare beneficiary in your nursing home?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	24	±6.5	2393
No	56	±7.5	5489
No Response	19	±6.0	1888

26. Has a supplier ever suggested that a standard number of wound care trays or kits per day (e.g. three per day) should be used?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	12	±4.9	1173
No	84	±5.4	8249
No Response	4	±2.7	349

27. Have you ever been told by a supplier that Medicare will cover routine supplies such as saline solution if gauze or specialty dressings are purchased?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	11	±4.7	1037
No	86	±5.3	8421
No Response	3	±2.7	312

28. Do your suppliers routinely waive the 20 percent copayment required of Medicare beneficiaries?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	3	±2.3	279
No	32	±7.1	3127
Do Not Know	56	±7.5	5466
No Response	9	±4.1	899

29. Has a supplier ever provided a wound care specialist or specialty nurse to assist you in patient care or in developing a treatment plan?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	36	±7.3	3519
No	62	±7.3	6075
No Response	2	±1.7	177

30. Has a supplier ever offered training to your staff concerning the treatment and care of wounds?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	70	±6.8	6856
No	28	±6.6	2693
No Response	2	±2.2	222

31. How does your staff become aware of new wound care products that might benefit your patients?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Through supplier representatives	67	±6.9	6561
Training/Conferences offered by suppliers	45	±7.5	4383
Medical journals/literature	62	±7.4	6016
Training provided by medical/nursing associations	48	±7.5	4661
Other (please specify)	23	±6.4	2250
No Response	1	±0.6	80

* more than one answer was selected by some respondents

32. Have supplier representatives ever requested to review patient medical records?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	19	±6.0	1878
No	80	±6.0	7818
No Response	1	±0.6	75

If yes, for what reason?

Response	Percentage
Provided Information	95
Did Not Provide Information	5

33. Have supplier representatives ever suggested how medical records should be documented to support the need for wound care supplies?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	17	±5.7	1668
No	77	±6.4	7537
No Response	6	±3.7	565

34. How many different suppliers provide you with wound care supplies for your patients?

Response	Average	95 % Confidence Interval
Number of Suppliers	1.7	±0.2

35. Please list the names, addresses, and phone numbers of the suppliers who provide your facility with the majority of wound care supplies for your patients?

Response	Percentage
Provided Information	76
Did Not Provide Information	24

36. Are wound care supplies marketed to you in kits or as bulk supplies?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Both Kits and Bulk Supplies	35	±7.3	3394
Wound Care Kits	10	±3.9	947
Bulk Supplies	37	±7.4	3697
Other (please specify)	9	±4.5	902
No Response	9	±4.0	831

37. Are wound care supplies shipped to you in kit or bulk form?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Both Kits and Bulk Supplies	28	±6.9	2774
Wound Care Kits	8	±3.6	777
Bulk Supplies	45	±7.5	4437
Other (please specify)	8	±4.2	786
No Response	10	±4.3	996

38. When delivered by the supplier, are wound care kits or supplies marked or identified as being intended solely for a particular patient?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	36	±7.3	3564
No	53	±7.5	5201
No Response	10	±4.3	1006

39. If suppliers market or ship wound care kits to your facility, what supplies are typically contained in a kit?

Response	Percentage
Provided Information	78
Did Not Provide Information	22

40. If suppliers market or ship wound care kits to your facility, do you typically use all of the supplies within those kits?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	32	±7.0	3140
No	15	±5.4	1481
No Response	53	±7.5	5150

If no, what supplies are typically not used?

Response	Percentage
Provided Information	45
Did Not Provide Information	55

41. Have you ever asked a supplier to make equipment changes, such as removal or addition of products, in their standard wound care kit?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	16	±5.7	1536
No	57	±7.5	5571
No Response	27	±6.7	2663

If yes, what changes did you request?

Response	Percentage
Provided Information	91
Did Not Provide Information	9

If yes, did the supplier make the changes?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	14	±5.4	1334
No	3	±2.6	276
No Response	84	±5.8	8145

42. Do suppliers provide you with all the necessary wound care supplies for each patient once a month?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	40	±7.4	3868
No	37	±7.3	3622
No Response	23	±6.4	2280

If no, how are supplies provided by the supplier?

Response	Percentage
Provided Information	73
Did Not Provide Information	27

43. How are wound care supplies stored in your nursing facility?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Stored by individual patient assignment in supply room	27	±6.8	2651
Stored in general supply room	67	±7.1	6563
Stored by the patient's bedside	2	±2.2	181
Other (please specify)	11	±4.7	1049
No Response	5	±3.1	513

* more than one answer was selected by some respondents

44. What happens to unused or excess supplies?

Response	Percentage*	95 % Confidence Interval	Projected Number of Nursing Homes
Returned to supplier	32	±7.1	3082
Stored for future use by specific patient	24	±6.6	2326
Stored and used as needed for all patients	33	±7.0	3257
Other (please specify)	13	±4.9	1284
No Response	10	±4.3	974

* more than one answer was selected by some respondents

45. Have you ever received wound care supplies that were not ordered?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	8	±4.0	761
No	89	±4.5	8693
No Response	3	±2.3	316

46. Do you know if Medicare limits the maximum amount of wound care supplies allowable for payment each month per patient?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	19	±6.2	1875
No	71	±6.9	6957
No Response	10	±4.3	938

If yes, please describe the limits.

Response	Percentage
Provided Information	51
Did Not Provide Information	49

47. Do you have written or verbal agreements with your wound care suppliers?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes (written)	25	±6.6	2430
Yes (verbal)	6	±3.2	587
No	58	±7.4	5710
No Response	11	±4.7	1044

If yes, please describe the nature of such agreements.

Response	Percentage
Provided Information	68
Did Not Provide Information	32

48. Have you ever complained to Medicare or other authorities about the marketing or business practices of any wound care suppliers?

Response	Percentage	95 % Confidence Interval	Projected Number of Nursing Homes
Yes	4	±3.1	390
No	93	±3.8	9088
No Response	3	±2.3	292

If yes, what was the nature of these practices?

Response	Percentage
Provided Information	90
Did Not Provide Information	10

Thank you for completing this survey. If you have additional comments or would like to answer any of the questions more fully, please use the next page marked Additional Comments for this purpose. Please return the survey in the self-addressed, postage-paid envelope we included in our mailing to you or fax the survey and any additional information to us at (215) 596-6987.

APPENDIX B

BENEFICIARY SURVEY INSTRUMENT AND RESPONSE RATES

Medicare beneficiaries in our sample were asked to complete a 19 question survey. The answers to these questions provided information on the beneficiaries' type of wound, the treatment of the wound, and the use of Medicare-reimbursed wound care supplies.

For the questions, we report the percentage of beneficiary responses to the question and the projected number of responses. The percentages have been rounded to the nearest whole number and therefore will not always add up to exactly 100 percent. The projected numbers have been rounded and will therefore not always add up to exactly 31,871 beneficiaries.

We also report the semi-width for each of the response percentages at the 95 percent confidence level. The semi-width is the standard error of the projection multiplied by 1.96. The semi-width added or subtracted to the percentage provides a 95 percent confidence interval. The range of the 95 percent confidence interval is presented in the table following each question.

The sample survey instrument with results begins on the next page.

MEDICARE BENEFICIARY SURVEY FOR SURGICAL DRESSINGS

Our records show that between ___ and ___, Medicare paid \$___ for surgical dressing/wound care supplies on your behalf. Surgical dressing and wound care supplies are used for wounds such as surgical incisions and bed sores/pressure ulcers. Surgical dressings and wound care supplies include gauze, tape, wound pouches, specialty dressings, and other products.

Please answer the following questions. If you have any problems or questions, please call Linda Ragone at 1-800-531-9562.

1. Did you receive surgical dressings/wound care supplies during the time period mentioned above?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Yes	93	±3.4	29,543
No	2	±2.0	742
Do Not Know	4	±2.6	1,338
No Response	1	±1.1	248

2. Did a doctor tell you to get these supplies?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Yes	77	±5.4	24,686
No	11	±4.1	3,467
Do Not Know	10	±3.8	3,173
No Response	2	±1.7	545

3. Did the supplies come packaged in a plastic tray or kit?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Yes	54	±6.4	17,205
No	20	±5.2	6,285
Do Not Know	25	±5.5	7,837
No Response	2	±1.7	545

4. Were there any types of supplies that you received that you did not need for your wound?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Yes	4	±2.5	1,290
No	79	±5.2	25,025
Do Not Know	16	±4.6	4,960
No Response	2	±1.7	597

5. What portion of the supplies that you received did you actually use?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
All	72	±5.7	23,093
Some	8	±3.5	2,628
None	3	±2.0	845
Do Not Know	15	±4.5	4,660
Not Answered	2	±1.8	645

6. Were you a resident of a nursing home during the time period mentioned above?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Yes	41	±6.0	12,961
No	58	±6.0	18,513
Do Not Know	1	±1.3	297
No Response	0.3	±0.6	100

7. Were you receiving services from a home health agency (such as a visiting nurse) during the time period mentioned above?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Yes	38	±6.3	12,183
No	59	±6.4	18,695
Do Not Know	1	±1.4	397
No Response	2	±1.7	597

8. What type of wound did you have that required these supplies?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Wound From Surgery	30	±5.9	9,410
Bed Sore/Pressure Ulcer	43	±6.0	13,755
None	1	±1.6	445
Do Not Know	3	±2.4	1,038
Other (specify)	28	±5.8	8,965
No Response	4	±2.7	1,387

9. How many different wound areas required treatment with these supplies?

Response	Average	95 % Confidence Interval
Number of Areas	1.6	±0.18

10. On what area(s) of the body was your wound(s) located?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Chest/Stomach	19	±5.1	5,940
Back/Buttocks	24	±5.2	7,750
Leg	27	±5.7	8,620
Foot	32	±5.9	10,220
Arm/Hand	8	±3.3	2,635
None	1	±1.6	445
Do Not Know	3	±2.1	842
Other (specify)	17	±4.8	5,505
No Response	3	±2.2	942

* more than one answer was selected by some respondents

11. Who decided what kind of dressing or wound treatment supplies you would need?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Home Health/Visiting Nurse	17	±4.9	5,447
Physician	71	±5.8	22,703
Nursing Home Staff	20	±4.9	6,257
Wound Care Product Supplier	3	±2.3	1042
Relative/Friend	0.5	±0.9	148
Myself	3	±2.1	842
Do Not Know	5	±2.8	1,587
Other (specify)	6	±3.1	1,832
No Response	2	±1.8	593

* more than one answer was selected by some respondents

12. How many times per day/week was the dressing changed?

Response	Average	95 % Confidence Interval
Number of Changes per Week	8.8	±0.98

13. Who changed the dressings on your wound(s)?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Home Health/Visiting Nurse	30	±5.9	9,658
Physician	7	±3.3	2,232
Nursing Home Staff	33	±5.7	10,382
Wound Care Product Supplier	0.3	±0.6	100
Relative/Friend	19	±5.1	6,092
Myself	20	±5.2	6,530
Do Not Know	3	±2.2	942
Other (specify)	8	±3.6	2,625
No Response	2	±1.9	693

* more than one answer was selected by some respondents

14. For how long a period of time did you use the supplies (please answer in days, for example, 2 months would be 60 days)?

Response	Average	95 % Confidence Interval
Number of Days	147.9	±32.7

15. Did you receive supplies after your wound was healed?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Yes	6	±3.0	1,883
No	71	±5.9	22,506
Do Not Know	10	±3.8	3,125
No Response	14	±4.5	4,357

16. Did you pay coinsurance for the surgical dressings/wound care supplies received during the time period mentioned above? (Coinsurance is the 20 percent of the bill or Medicare allowed amount that you pay the supplier.)

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Yes	32	±6.0	10,155
No	48	±6.4	15,270
Do Not Know	16	±4.6	5,012
No Response	5	±2.7	1,435

17. If you answered no to previous question, did you have any other insurance which would have paid the coinsurance for you?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Yes	37	±8.4	6,292
No	56	±8.7	9,623
Do Not Know	8	±4.5	1,290

18. Who filled out this survey?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
I Filled It Out Myself	40	±6.3	12,776
Someone Filled It Out For Me	58	±6.3	18,401
No Response	2	±1.9	693

19. If someone filled out the survey for you, who are they?

Response	Percentage	95 % Confidence Interval	Projected Number of Beneficiaries
Relative	38	±6.2	12,148
Nursing Home Employee	10	±3.7	3,228
Friend	3	±2.2	942
Home Health Nurse or Aide	33	±2.4	1,090
Other (specify)	7	±3.3	2,180
No Response	39	±6.3	12,283

Thank you for completing this survey. If you have additional comments, please write them under Additional Comments. Please return the survey in the self-addressed, postage-paid envelope we included in our mailing to you.

ADDITIONAL COMMENTS: