



March 13, 2024

John Giles, Jr
Director, Medicaid & CHIP Managed Care Group
Centers for Medicare & Medicaid Services

Trina Roberts
Deputy Director, Medicaid & CHIP Managed Care Group
Centers for Medicare & Medicaid Services

Dear Director Giles and Deputy Director Roberts:

On behalf of the American Association for Homecare (AAHomecare), I am requesting prompt action to help durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) providers continue operations during the unprecedented disruption of claims and payment processes for Change Healthcare.

AAHomecare is the national association representing DMEPOS suppliers, manufacturers, and other stakeholders in the homecare/home medical equipment community. Our members manufacture, distribute and provide medically necessary DMEPOS items and services to patients in their homes.

The ongoing disruption stemming from the February cyberattack on Change Healthcare is critically impacting DMEPOS suppliers across the nation. These suppliers operate at low margins following more than two decades of Medicare reimbursement reductions for DMEPOS, and many operate with less than 30-45 days of cashflow available at any given time. The options for companies facing this situation include not paying bills (including payroll), taking on debt, limiting or pausing patient care, or ceasing operations permanently; all of these choices come with painful side-effects threatening their continued viability and impacting employees, patients, and caregivers.

While advanced payment relief recently offered for Medicare Part B will provide a measure of support, Medicare payments represent approximately 30% of the average payer mix for DMEPOS suppliers. For some specialty practices, such as companies providing equipment and care to pediatric patients, the Medicare Part B component is negligible or non-existent.

We recommend the following approaches to minimize impacts on patient access to DMEPOS products and services until payment processes are fully restored:

- 1) Require Medicaid fee-for-service payers and Medicaid managed care payers to make advanced payments in a manner similar to the Medicare Part B advanced payments announced on March 9.
- 2) Require Medicaid and Medicaid managed care payers to extend timely filing deadlines to at least 120 days beyond the full Change Healthcare system restoration.

As we approach nearly three weeks of disruption to claims and payment process for healthcare providers and an uncertain timeline for full system restoration, healthcare providers are facing more than one month without income from significant payer cohorts. Expediting advanced payments across the full scope of Medicare, as well as for Medicaid payers, is critically needed to prevent long-term damage to DMEPOS and physician cornerstones of the healthcare continuum.

On behalf of DMEPOS suppliers and the millions of Americans who depend on high-quality, home-based care, we ask that you advance these recommendations through regulatory action and/or influence with the Department of Health and Human Services and other Federal policymakers.

The health and well-being of patients, suppliers, caregivers, and clinicians are at stake, and we must collectively work to mitigate the harm caused by this cyberattack. Thank you for your leadership in ensuring that patients have access to the care they need, even in the face of adversity.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Ryan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tom Ryan
President & CEO
American Association for Homecare

cc: Daniel Tsai
Deputy Administrator and Director, CMS