



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

February 13, 1984

27458

HUMAN RESOURCES
DIVISION

Carolyn K. Davis, PhD
Administrator, Health Care Financing
Administration
Department of Health and Human Services

Dear Dr. Davis:

Subject: Analysis of Medicare Durable Medical Equipment
Claims in Georgia, Idaho, and Southern
California (GAO/HRD-84-40)

We are in the process of analyzing reimbursement for Durable Medical Equipment (DME) at four Medicare carriers covering all or portions of five states.¹ Our work was requested by the Chairman of the Senate Committee on Finance. Because of congressional, industry, and Health Care Financing Administration (HCFA) interest in the probable effects of the July 1982 HCFA instructions to its carriers regarding procedures for determining whether to reimburse for DME on a rental or a purchase basis, we have agreed to report to you periodically on our progress. The first such report (GAO/HRD-83-73, July 8, 1983) covered our work at Kansas City Blue Shield as of June 1983.

This report covers our work completed as of November 1983 at Equitable in Idaho, Occidental in southern California, and Prudential in Georgia. The work remaining to be done before our final report to the Senate Committee on Finance involves simulating the probable effects of various proposals for reimbursing for DME, such as the ones presented by the National Association of Medical Equipment Suppliers and New York Blue Shield. We will also be simulating the probable effects of various waiting periods before making a rent-purchase decision and of applying a reimbursement ceiling or cap on rentals. In addition, we are examining statistical samples of physicians' prescriptions for DME and medical necessity forms from Idaho and Georgia to determine whether the information contained on the

¹The carriers and States included in the review are:
Prudential Insurance Company of North America (Georgia);
Equitable Life Assurance Society of the United States
(Idaho); Transamerica Occidental Life Insurance (southern
California); and Blue Shield of Kansas City (Portions of
Kansas and Missouri).

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forms is sufficient for the purpose of estimating the anticipated periods of need for DME items.

BACKGROUND

The problem of excessive DME rental payments--which the July 1982 HCFA instructions encouraging the purchase of low-cost items (defined as \$120 or less) are intended to minimize--has been the subject of GAO and HCFA financed studies that came to different conclusions. In July 1982 we issued a report entitled "Medicare Payments for Durable Medical Equipment are Higher than Necessary" (HRD-82-61). That report was based on 10 statistical samples of DME payments in 1979 at six carriers and estimated that excess rental payments² were about \$2 million or 21 percent of these six carriers' 1979 DME payments, excluding the purchase of oxygen gas. We concluded that about a third of the excessive rental payments could have been avoided if HCFA required its Medicare carriers to reimburse low-cost DME items on a purchase basis and more expensive items on this basis if the anticipated period of need indicated that purchase would be more economical.

In contrast, under a HCFA grant Williams College (Williams) issued in October 1982 a preliminary report which included simulations of alternate DME reimbursement policies. The simulations were based on an analysis of 21,658 DME rental episodes³ which occurred during a 17-month period during calendar years 1976 and 1977 in 7 States covered by four different Medicare carriers. The report concluded that HCFA's July 1982 instructions should not be implemented because under the assumptions used by Williams, which it said were reasonable, the requirements would result in increased program costs. The final report issued in April 1983 contained essentially the same conclusions.

Our July 1983 report on Kansas City Blue Shield DME payments estimated that implementation of HCFA's July 1982 instructions with respect to four commonly rented, low-cost DME items would have reduced program costs for such items by about 70 percent.⁴ Because these four low-cost items represented about 22 percent of total rental allowances, overall DME costs would have been reduced at least 15 percent.

²Excessive rental payments represent the difference between total Medicare rental payments for a DME item and Medicare reimbursement for the same item if it had been purchased.

³An episode is defined as a beneficiary renting a single DME item for a period of time.

⁴Regulator/flowmeters, small humidifiers, standard walkers, and standard non-folding commodes.

OBJECTIVES, SCOPE, AND
METHODOLOGY

One of the reasons for the different findings and conclusions in our prior reports and the Williams study was different rental episode lengths. The Williams 1976-1977 data showed significantly more short-term (1 or 2 month) rental episodes and significantly fewer long-term (over a year) episodes than our data. Accordingly, one of our objectives was to apply the Williams' basic methodology at the same carriers using more current data. We selected two of the seven locations and the related carriers (Occidental for southern California and Equitable for Idaho) included in the Williams' study because they accounted for about 45 percent of Williams' 21,658 episodes.

In addition, we wanted to determine whether the sampling techniques used in HRD-82-61 yielded atypical episode lengths. For that report, statistical samples were selected from both 1-month and 1-year periods. Six of the 10 samples were selected from 1-month periods including two from Kansas City Blue Shield and two from Prudential Insurance Co. (Georgia). These four samples included both oxygen and non-oxygen related DME items and accounted for 49 percent of the total sample episodes in HRD-82-61. We applied the Williams' methodology to more current data at those two carriers.

The information used in our current episode analysis for Equitable in Idaho, Occidental in southern California, and Prudential in Georgia is based on computer tapes obtained from the carriers. The tapes for Occidental and Prudential covered DME transactions which the carriers had extracted from total Medicare payment transactions. The tape obtained from Equitable included all transactions and we extracted the DME transactions from the tape. On all tapes we excluded oxygen gas, liquid oxygen, and certain other expendable supplies which can only be purchased. In addition, we excluded about \$5 million in purchases from Prudential's tape after we learned that the transactions under the applicable DME procedure code principally represented supplies for hemodialysis patients. The periods covered by the various tapes and the amounts of allowed charges are summarized in the following table. The classes or types of DME items are listed in the indicated appendixes.

ALLOWED CHARGES (000 omitted)

<u>Appendix</u>	<u>Location</u>	<u>Period</u>	<u>Oxygen Related DME</u>			<u>Non-Oxygen Related DME</u>			<u>Grand total</u>
			<u>Rented</u>	<u>Pur-chased</u>	<u>Total</u>	<u>Rented</u>	<u>Pur-chased</u>	<u>Total</u>	
I & II	Idaho	10/1/80 to 1/12/83	\$ 636	\$ 52	\$ 688	\$ 81	\$ 246	\$ 327	\$ 1,015
III & IV	Southern California	10/1/80 to 12/31/82	15,327	923	16,250	21,435	5,320	26,755	43,005
V & VI	Georgia	10/1/80 to 6/30/83	<u>8,438</u>	<u>139</u>	<u>8,577</u>	<u>9,933</u>	<u>1,969</u>	<u>11,902</u>	<u>20,479</u>
Total			\$24,401	\$1,114	\$25,515	\$31,449	\$7,535	\$38,984	\$64,499
			=====	=====	=====	=====	=====	=====	=====

We developed a computer program which identified DME rental episodes with initial dates of service in either the third, fourth, or fifth months of tape history (December 1980, January 1981 and February 1981). The program then searched the various remaining months in the tapes to calculate how long an episode lasted. Our analysis assumed that a two month period without a rental charge constituted a break in the rental of the item.

The amount of allowed rental charges and the number of episodes included in our analyses are summarized in the following table.

	<u>Idaho</u>		<u>Southern California</u>		<u>Georgia</u>		<u>Total</u>	
	<u>Number of Episodes</u>	<u>Allowed Charges</u>	<u>Number of Episodes</u>	<u>Allowed Charges</u>	<u>Number of Episodes</u>	<u>Allowed Charges</u>	<u>Number of Episodes</u>	<u>Allowed Charges</u>
\$120 or less	173	\$7,835	11,185	\$790,758	2,136	\$168,558	13,494	\$967,151
More than \$120	183	76,769	7,255	1,873,633	3,153	1,228,536	10,591	3,178,938
Undetermined a/	6	406	809	229,035	26	4,406	841	233,847
Total	<u>362</u>	<u>\$85,010</u>	<u>19,249</u>	<u>\$2,893,426</u>	<u>5,315</u>	<u>\$1,401,500</u>	<u>24,926</u>	<u>\$4,379,936</u>
	====	=====	=====	=====	=====	=====	=====	=====

Note a: Rental episodes for which a prevailing purchase allowance could not be determined.

The following table compares DME rental episode lengths found by GAO and Williams in Idaho and southern California and by GAO in Georgia in 1979 in our prior review (HRD-82-61) and in our current review.

length of rental episode (months)	Idaho				Southern California				Georgia			
	Williams 1976-77		GAO 1981-83		Williams 1976-77		GAO 1981-82		GAO 1979		GAO 1981-83	
	Number	Per- cent	Number	Per- cent	Number	Per- cent	Number	Per- cent	Number	Per- cent	Number	Per- cent
1 and 2	2,156	85.7	220	60.8	5,719	79.0	10,570	54.9	34	11.6	2,377	44.7
3 and 4	183	7.2	47	11.6	887	12.2	2,954	15.4	47	16.1	824	15.5
5 and 6	58	2.3	24	6.6	315	4.4	1,527	7.9	28	9.6	437	8.2
7 and 8	30	1.2	20	5.5	132	1.9	886	4.6	31	10.6	305	5.7
9 and 10	26	1.1	8	2.2	66	0.9	623	3.2	26	8.9	207	3.9
11 and 12	21	0.9	4	1.1	45	0.6	476	2.5	25	8.6	191	3.6
13 to 18	23	0.9	22	6.1	25	0.3	852	4.4	31	10.6	315	6.0
19 to 23	16	0.6	19	5.2	20	0.3	1,068	5.6	21	7.2	147	2.8
24 or more	3	0.1	3	0.9	38	0.4	293	1.5	49	16.8	512	9.6
Total	2,516	100.0	362	100.0	7,247	100.0	19,249	100.0	292	100.0	5,315	100.0

DME PAYMENTS IN IDAHO, SOUTHERN CALIFORNIA, AND GEORGIA

Our analysis of payment history tapes showed that excess rental allowances were about 29 percent of allowed rental charges for our episode analysis in Idaho, 34 percent in southern California, and 40 percent in Georgia. However, the potential savings from implementing HCFA's July 1982 instructions encouraging the purchase of low cost items varied. Specifically:

- In Idaho, Medicare and its beneficiaries would have incurred higher costs because most of the excess rental allowances were associated with high-cost oxygen concentrators. However, because most of the non-oxygen related DME items (such as commodes and walkers) were already being purchased, the amount of increased costs (\$4,200) would have not been significant in relation to total DME expenditures.
- In southern California, Medicare would have realized only a small savings if all low-cost items had been reimbursed on a purchase basis because about 38 percent of the 11,185 rental episodes for low-cost items were for 1-month only. However, many suppliers in that locale apply the first month's rental charge to the purchase price and the HCFA instructions do not require the purchase of low-cost items but merely limit the total allowable rental charges to the purchase allowance. Therefore, if payments were made based on (1) a rental allowance for the 1-month rental episodes and (2) the application of the purchase limit for the remaining episodes, Medicare and beneficiary costs for such

low-cost items could have been reduced by about 30 percent or 9 percent of total allowed rental charges.

--In Georgia, Medicare and its beneficiaries would have saved money if all low-cost items had been reimbursed on a purchase basis. However, because high-cost oxygen concentrators have assumed such a large proportion of Medicare DME expenditures in Georgia, the savings on low-cost items would not have been substantial in relation to total Medicare DME expenditures.

The table on page 5 shows that our 1981-1983 episode analysis identified fewer short term episodes in Idaho and southern California (60.8 and 54.8 percent) than Williams' analysis (85.7 and 79.0 percent) and more long-term episodes--12.2 and 11.5 percent compared with 1.6 and 1.0 percent.

At this time we cannot fully explain the differences in the relative episode lengths between Williams' data and our data for Idaho and southern California. However, there were two variations between Williams' methodology and ours which partially explain them. First, our analyses assumed that a two-month period without a rental charge constituted a break in the rental of the item and, thus, the end of a rental episode. We used a two-month break because if a beneficiary was hospitalized during a month, the rented DME items would not be needed and thus might not be covered by Medicare. Williams' analysis was based on a 1-month break in service as terminating an episode. Using a 1-month break in service criterion with our data increased the percentage of one and two month episodes in Idaho from 60.8 percent to 63.2 percent and in southern California from 54.9 percent to 61.0 percent. It also decreased the percentage of episodes lasting longer than 12 months from 12.2 percent to 8.0 percent in Idaho and from 11.5 percent to 7.0 percent in southern California.

Second, Williams did not have reliable information about episodes after July 1977. Actual data was used by Williams to track rental episodes for at least 13 months and for those episodes beginning in February 1976 for as much as 18 months. However, for those episodes that had not ended in July 1977, Williams used a formula to project length of use whereas we used actual claims data to determine the number of episodes lasting more than 13 months. In any event, we believe that the episodes in Idaho were given too much weight in the Williams' study. Of the total 21,658 rental episodes from the 7 locations, 2,516 or 11.6 percent were from Idaho but other study data showed that only about 2 percent of the DME claims in the 7 location study universe related to Idaho. Further, we identified only 362 episode starts during the 3-month period from December 1980 through February 1981 whereas the Williams' study shows 2,516 starts during the 6-month period from February through July 1976.

The table also indicates that our 1979 study samples may have underestimated the incidence of short-term rental episodes for DME items in Georgia. However, there may be other factors involved because the types of items rented in Georgia has changed significantly since 1979. For example, our 1979 sample data did not include any high-cost oxygen concentrators whereas 32 percent of our 1981-1983 oxygen-related DME episodes and 85 percent of the related allowed charges were for concentrators. Also, the relative incidence of hospital bed rentals appears to have increased since 1979.

Further breakdowns of rental episodes by major types of oxygen and non-oxygen related DME items at the three carriers are included in appendixes VII through XII. We classified these items into these two categories because of the DME industry's contention that many oxygen related items should always be rented because of their maintenance or service requirements.

Our estimates of excess rental allowances in relation to total allowed rental charges is presented below. We defined excess rental allowances as the excess of accumulated allowed rental charges for a particular episode above Medicare's prevailing charge for the item's purchase.

	Idaho		Southern California		Georgia		Total	
	Number	Allowed	Number	Allowed	Number	Allowed	Number	Allowed
	<u>of Episodes</u>	<u>Charges</u>	<u>of Episodes</u>	<u>Charges</u>	<u>of Episodes</u>	<u>Charges</u>	<u>of Episodes</u>	<u>Charges</u>
Total <u>a/</u>	356	\$84,604	18,440	\$2,664,391	5,289	\$1,397,094	24,085	\$4,146,089
Rentals exceeded purchase allowance	49	24,904	4,240	889,391	1,356	563,541	5,645	1,477,836
Excess as a percent of total	13.8	29.4	23.0	33.4	25.6	40.3	23.4 <u>b/</u>	35.6 <u>c/d/</u>

Note a: Excludes those episodes for which a prevailing charge for purchase was not available. Such episodes represented about 5 percent of total allowed charges.

Note b: The comparable percentage for Kansas City Blue Shield was 45.7 percent.

Note c: The comparable percentage for Kansas City Blue Shield was 62.8 percent.

Note d: The comparable percentage in the Williams College study was 14 percent.

RENT-PURCHASE ALTERNATIVE FOR LOW-COST ITEMS

For the three carriers reviewed, the excess rental allowances were about \$1.5 million or about 36 percent of the

\$4.1 million in allowed charges for the 24,085 rental episodes that began in December 1980, January 1981, or February 1981 and extended over various periods through December 31, 1982, in southern California, January 12, 1983, in Idaho, and June 30, 1983, in Georgia. This represents the maximum potential savings if all items where accumulated rental allowances exceeded the carriers' prevailing purchase allowances had been reimbursed on a purchase basis. To determine the portion of the \$1.5 million in maximum potential savings that could have been realized by the application of HCFA's 1982 guidelines pertaining to low-cost items, we computed Medicare's costs as if all rental episodes for items with a prevailing purchase allowance of \$120 or less had been purchased.

In Idaho, the total excess rental allowances were about \$25,000 or 29 percent of total allowed rental charges of about \$85,000. However, about \$19,000 of the \$25,000 excess related to oxygen concentrators that cost about \$3,000 each; therefore, they are not covered by the HCFA guidelines pertaining to low-cost items.

There were 173 rental episodes of items with prevailing purchase allowances of \$120 or less. Total allowed charges for those episodes were about \$7,800 or only about 9 percent of total allowed charges. If all 173 items had been purchased, the allowed charges would have been about \$12,000 or \$4,200 more. Of the \$4,200 about \$4,100 applied to low-cost non-oxygen DME items such as commodes, walkers and bed rails that were usually rented for only one month. However, as shown in appendix II, beneficiaries in Idaho are already purchasing these low-cost items in most cases. About 70 percent of the total allowed charges for low-cost, non-oxygen related DME items represented purchases. The \$4,200 "loss" would have been about 4 percent of total allowed charges.

In southern California, the total excess rental allowances were about \$889,000 or about 33 percent of the allowed rental charges of about \$2.7 million. Of the excess allowances about \$367,000 was for low-cost items with prevailing purchase allowances of \$120 or less. There were about 11,185 low-cost-item rental episodes with total allowed charges of \$791,000 or about 30 percent of the total allowed rental charges. If all 11,185 items had been purchased, the allowed charges would have been \$776,000 or about \$15,000 less. The savings would have been so low because about 4,300 or 38 percent of the 11,185 rental episodes were for one month only and purchasing the items in these cases would have offset to a large extent the savings

on the other episodes.⁵

Our analysis yields a worst case example and may not be realistic. The July 1982 instructions do not require the purchase of all low-cost items, but merely limit the total allowable rental charges to the purchase allowance. Further, we have been informed that many DME suppliers in California will apply the first month's rental charge for a DME item to the purchase price. Therefore, if payments were made based on (1) a rental allowance for the one month rental episodes and (2) the application of the purchase limits for the remaining episodes, allowed charges would have been about \$553,000 or about \$238,000 less than the \$791,000 actually allowed. The savings computed under this method represent about 9 percent of the total \$2.7 million in allowed rental charges in southern California.

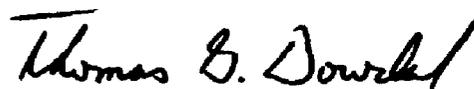
In Georgia, total excess rental allowances were about \$563,000 or 40 percent of the allowed rental charges of \$1.4 million. Of the \$563,000, about \$88,000 represented low-cost items and about \$256,000 represented oxygen concentrators. There were 2,136 rental episodes of items with prevailing purchase allowances of \$120 or less. Total allowed charges for these episodes were about \$169,000 or 12 percent of the total allowed charges.

If all 2,136 items had been purchased, the allowed charges would have been \$149,500 or about \$19,500 less. By applying the alternate method used in southern California with regard to 1-month rentals, the savings would have been increased to about \$58,500 or about 10 percent of the total excess rental allowances and about 4 percent of the \$1.4 million in total allowed charges.

⁵Among the items costing \$120 or less where the offsetting losses were significant were hospital bed rails which represented 1,290 of the 11,185 rental episodes with allowed charges of about \$116,000 and an offsetting loss, if purchased, of \$31,300. According to a January 1982 revision to the carriers' manual, bed side rails are not covered by Medicare unless they are an integral part of a hospital bed and hospital beds cost substantially more than \$120. By excluding bed rails from the analysis, the episodes and allowed charges for low-cost items are reduced to 9,895 and \$675,000 respectively. If the remaining 9,895 items had been reimbursed on a purchase basis, the allowed charges would have been about \$628,700 or \$46,300 less than the rental allowances. However, because the carriers were pricing the rental or purchase of hospital bed rails as a separate item and not as an integral part of a bed, it appears that the \$120 criteria might have also applied to those items.

As previously discussed and as shown on appendix V, we believe that the relatively small savings in Georgia can be attributed to the extensive use in the past several years of high-cost oxygen concentrators which have replaced the oxygen gas systems which included low-cost regulators or regulator flowmeters. We are asking the carrier about the utilization and medical necessity screens being applied when paying for these concentrators.

Sincerely yours,

A handwritten signature in black ink that reads "Thomas G. Dowdal". The signature is written in a cursive style with a prominent horizontal line above the first few letters.

Thomas G. Dowdal
Group Director

EQUITABLE - IDAHO

Summary of Types of Oxygen-Related Items
Rented and Purchased
 (October 1, 1980 - January 12, 1983)

	<u>Rented amount allowed</u>	<u>Purchased</u>		<u>Total amount allowed</u>
		<u>Amount billed</u>	<u>Amount allowed</u>	
Concentrators	\$343,693	\$24,186	\$19,912	\$363,605
Respirators	113,716	4,304	3,951	117,667
Regulators	39,273	9,301	7,923	47,196
Nebulizers	4,098	4,475	3,735	7,833
IPPB Machines	7,958	10,817	8,977	16,935
Humidifiers	-0-	1,961	811	811
Portable Oxygen Equipment	23,029	5,461	4,340	27,369
Linde Walkers	103,936	-0-	-0-	103,936
Other	<u>1,056</u>	<u>2,420</u>	<u>2,069</u>	<u>3,125</u>
Total	<u>\$636,759</u>	<u>\$62,925</u>	<u>\$51,718</u>	<u>\$688,477</u>

EQUITABLE - IDAHO

Summary of Types of Non-Oxygen Related DME Items
Rented and Purchased
 (October 1, 1980 - January 12, 1983)

<u>Type of item</u>	<u>Rented amount allowed</u>	<u>Purchased</u>		<u>Total amount allowed</u>
		<u>Amount billed</u>	<u>Amount allowed</u>	
Commodes	\$ 7,772	\$ 17,605	\$ 12,189	\$ 19,961
Walkers	6,587	31,185	24,817	31,404
Wheelchairs:				
Nonelectric	21,762	144,959	97,272	119,034
Electric	-0-	34,424	24,717	24,717
Hospital beds:				
Nonelectric	15,740	9,601	8,114	23,854
Electric	15,743	31,669	19,081	34,824
Bed rails	3,725	3,877	3,201	6,926
Trapeze bars	1,981	2,057	1,755	3,736
Canes & crutches	457	5,514	4,704	5,161
Hydraulic lifts	3,727	5,115	4,469	8,196
Pads and mattresses	1,022	7,978	6,863	7,885
Seat lift chairs	-0-	38,954	35,046	35,046
Other	<u>2,421</u>	<u>7,295</u>	<u>5,645</u>	<u>8,066</u>
Total	<u>\$80,937</u>	<u>\$340,233</u>	<u>\$247,873</u>	<u>\$328,810</u>

OCCIDENTAL - CALIFORNIASummary of Types of Oxygen-Related DME Items
Rented and Purchased

(October 1, 1980, to December 31, 1982)

<u>Type of item</u>	<u>Rented amount allowed</u>	<u>Purchased</u>		<u>Total amount allowed</u>
		<u>Amount billed</u>	<u>Amount allowed</u>	
Concentrators	\$ 5,080,778	\$ 213,910	\$184,681	\$ 5,265,459
Regulators and Regulator/ humidifiers	3,372,186	198,166	157,785	3,529,971
IPPB Machines	2,113,346	135,192	104,396	2,217,742
Oxygen systems	2,324,588	219,404	182,872	2,507,460
Nebulizers	311,318	44,626	35,078	346,396
Other breathing equipment	955,777	128,281	104,069	1,059,846
Humidifiers	36,050	4,930	3,875	39,925
Cylinder carts and stands	824,216	75,980	57,863	882,079
Maxi-Mists	143,116	31,114	21,698	164,814
Other	<u>166,040</u>	<u>89,284</u>	<u>70,305</u>	<u>236,345</u>
Total	<u>\$15,327,415</u>	<u>\$1,140,887</u>	<u>\$922,622</u>	<u>\$16,250,037</u>

OCCIDENTAL - CALIFORNIASummary of Types of Non-Oxygen Related DME ItemsRented and Purchased

(October 1, 1980, to December 31, 1982)

<u>Type of item</u>	<u>Rented amount allowed</u>	<u>Purchased</u>		<u>Total amount allowed</u>
		<u>Amount billed</u>	<u>Amount allowed</u>	
Commodes	\$ 2,058,984	\$ 402,616	\$ 314,345	\$ 2,373,329
Walkers and walk aides	2,207,018	690,221	546,616	2,753,634
Wheelchairs:				
Standard	5,458,038	1,934,691	1,309,243	6,767,281
Other	1,154,602	1,301,917	983,419	2,138,021
Hospital beds:				
Nonelectric	3,287,031	387,551	253,940	3,540,971
Electric	4,017,309	725,452	557,267	4,574,576
Mattresses and bed rails	1,546,046	153,409	115,515	1,661,561
Canes and crutches	231,005	267,086	199,262	430,267
Trapeze bars	707,341	72,268	52,998	760,339
Traction equip- ment	92,954	44,960	29,938	122,892
Pads	195,349	72,172	57,196	252,545
Other	<u>479,144</u>	<u>1,243,357</u>	<u>900,415</u>	<u>1,379,559</u>
Total	<u>\$21,434,821</u>	<u>\$7,295,700</u>	<u>\$5,320,154</u>	<u>\$26,754,975</u>

PRUDENTIAL - GEORGIA

Summary of Types of Oxygen-Related DME Items
Rented and Purchased
(October 1, 1980, to June 30, 1983)

<u>Type of item</u>	<u>Rented amount allowed</u>	<u>Purchased</u>		<u>Total amount allowed</u>
		<u>Amount billed</u>	<u>Amount allowed</u>	
Concentrators	\$6,961,510	\$ 46,828	\$ 41,178	\$7,002,688
IPPB Machines	461,568	27,232	18,044	479,612
Nebulizers	148,930	76,152	57,002	205,932
Portable oxygen equipment	507,605	5,988	4,998	512,603
Stationary gaseous systems, regulator with flow gauge	160,682	7,493	5,819	166,501
Stationary liquid systems, including flowmeter and humidifer	26,973	-0-	-0-	26,973
Humidifiers	9,427	491	412	9,839
Suction pumps	160,217	15,478	9,595	169,812
Other	<u>1,173</u>	<u>1,534</u>	<u>1,456</u>	<u>2,629</u>
Total	<u>\$8,438,085</u>	<u>\$181,196</u>	<u>\$138,504</u>	<u>\$8,576,589</u>

PRUDENTIAL - GEORGIA

Summary of Types of Non-Oxygen-Related DME Items
Rented and Purchased
 (October 1, 1980, to June 30, 1983)

<u>Type of item</u>	<u>Rented amount allowed</u>	<u>Purchased</u>		<u>Total amount allowed</u>
		<u>Amount billed</u>	<u>Amount allowed</u>	
Commodes	\$ 864,009	\$ 151,545	\$ 122,295	\$ 986,304
Walkers	377,847	148,500	112,208	490,055
Wheelchairs:				
Nonelectric	2,927,012	1,143,129	868,541	3,795,553
Electric	32,024	260,301	207,645	239,669
Hospital beds:				
Nonelectric	3,241,095	237,479	159,816	3,400,911
Electric	291,995	209,404	134,969	426,964
Bed rails	872,131	38,522	31,258	903,389
Trapeze bars	225,494	15,830	10,995	236,489
Alternating pressure pads	426,301	23,395	16,512	442,813
Patient lifts	412,597	49,320	39,299	451,896
Infusion pumps	184,927	10,444	10,396	195,323
Seat lift chairs	24,580	229,587	135,877	160,457
Canes and crutches	17,552	75,573	58,815	76,367
Other	<u>35,030</u>	<u>82,875</u>	<u>60,335</u>	<u>95,365</u>
Total	<u>\$9,932,594</u>	<u>\$2,675,904</u>	<u>\$1,968,961</u>	<u>\$11,901,555</u>

EQUITABLE - IDAHO

Rental Episodes Beginning in
December 1980, January 1981, and February 1981
Oxygen-Related DME Distribution of Episode
by Length of Rentals

<u>Length of rental episode (months)</u>	<u>Concen- trators</u>	<u>Respir- ators</u>	<u>Regula- tors</u>	<u>IPPB machine</u>	<u>Portable oxygen equipment</u>	<u>Linde walkers</u>	<u>Other</u>	<u>Total</u>
1 and 2	10	2	28	3	32	7	4	86
3 and 4	1	-	10	1	8	1	1	22
5 and 6	2	-	3	-	-	-	-	5
7 and 8	-	-	5	1	-	-	-	6
9 and 10	-	-	2	-	2	1	-	5
11 and 12	-	-	-	-	2	1	-	3
13 to 18	4	1	9	1	1	5	-	21
19 to 23	5	3	6	-	-	2	1	17
24+	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total	<u>24</u>	<u>6</u>	<u>63</u>	<u>6</u>	<u>45</u>	<u>17</u>	<u>6</u>	<u>167</u>

EQUITABLE - IDAHO
 Rental Episodes Beginning in
 December 1980, January 1981, and February 1981
 Non-Oxygen Related DME Distribution of Episode
 by Length of Rental

Length of rental episode (months)	Commodos	Walkers	Wheel-chairs	Hospital beds Standard Electric	Bed rails	Trapeze bars	Canes and crutches	Other	Total
1 and 2	18	36	27	15	9	5	5	4	134
3 and 4	3	8	3	-	2	1	-	1	20
5 and 6	3	3	4	1	3	2	1	-	19
7 and 8	2	4	2	2	2	1	-	1	14
9 and 10	2	-	-	-	-	1	-	-	3
11 and 12	-	-	1	-	-	-	-	-	1
13 to 18	-	-	1	-	-	-	-	-	1
19 to 23	1	-	1	-	-	-	-	-	2
24+	-	1	-	-	-	-	-	-	1
Total	29	52	39	18	13	22	10	6	195

OCCIDENTIAL - CALIFORNIA

Rental Episodes Beginning in December 1980, January 1981
and February 1981 Oxygen Related OME
Distribution of Episode by Length of Rentals

length of rental episode (months)	Regulators										Carts and stands	Other	Total
	Concen- trators	humidi- fiers	IPPB machines	Oxygen system	Nebu- lizers	Respir- ators	Oxygen units						
1 and 2	138	1,136	179	317	96	75	208	943	28	3,120			
3 and 4	26	378	56	112	18	20	68	346	4	1,028			
5 and 6	16	276	40	65	13	17	34	187	3	601			
7 and 8	16	134	23	48	8	9	15	108	2	363			
9 and 10	15	82	15	37	4	4	14	91	--	262			
11 and 12	13	62	16	23	5	8	6	70	--	203			
13 to 18	18	129	29	37	7	12	31	124	--	387			
19 to 23	21	171	54	51	6	15	13	179	--	508			
24 or longer	5	40	9	16	1	3	1	54	--	129			
Total	268	2,358	421	706	158	161	390	2,102	37	6,601			

OCCIDENTAL - CALIFORNIA

Rental Episodes Beginning in December 1980, January 1981
and February 1981 Non-Oxygen Related DME
Distribution of Episode by Length of Rentals

length of rental episode (months)	Commodities	Walkers (including wheel-chairs)	Non-electric hospital beds	Mattresses and bed rails	Traction equip. bars	Trapeze Pads	Canes and crutches	Other	Total	
1 and 2	1,029	1,830	1,607	673	509	255	66	191	7,450	
3 and 4	307	445	408	165	135	87	11	12	1,926	
5 and 6	127	180	240	68	106	40	5	9	926	
7 and 8	80	104	120	37	68	19	3	4	523	
9 and 10	65	65	82	23	53	14	4	4	361	
11 and 12	39	55	76	13	35	14	2	2	273	
13 to 18	66	84	137	27	65	31	1	3	465	
19 to 23	91	86	153	33	94	37	6	6	560	
24 or longer	16	25	64	6	24	11	--	1	164	
Total	1,818	2,174	2,887	1,140	851	1,332	143	508	765	12,648

PRUDENTIAL - GEORGIA
 Rental Episodes Beginning in December 1980, January 1981
 and February 1981 Oxygen Related DME
 Distribution of Episode by Length of Rentals

length of rental episode (months)	Concentrators	IPPB machine	Nebulizers	Oxygen systems	Regulators	Humidifiers	Other	Total
1 and 2	59	21	12	27	82	53	36	290
3 and 4	33	10	10	17	19	12	9	110
5 and 6	12	4	3	10	10	12	4	55
7 and 8	10	3	2	6	5	3	2	31
9 and 10	15	2	4	4	6	2	2	35
11 and 12	12	3	1	3	5	--	2	26
13 to 18	23	5	1	9	5	--	2	45
19 to 23	14	2	--	3	4	--	1	24
24 or longer	52	15	4	16	3	--	6	96
Total	230	65	37	95	139	82	64	712

PRUDENTIAL - GEORGIA

Rental Episodes Beginning in December 1980, January 1981
and February 1981 Non-Oxygen Related DME
Distribution of Episode by Length of Rentals

length of rental episode (months)	Rental Episodes Beginning in December 1980, January 1981 and February 1981 Non-Oxygen Related DME Distribution of Episode by Length of Rentals										
	Commodes	Walkers	Wheel- chairs	Non- electric	Hospital beds - Electric	Bed- ralls	Trapeze bars	Pads	Canes and crutches	Other	Total
1 and 2	267	134	514	615	41	307	84	62	7	56	2,087
3 and 4	119	60	159	188	11	111	26	22	4	14	714
5 and 6	67	42	99	82	7	55	20	3	2	5	382
7 and 8	50	33	66	55	4	43	9	5	5	4	274
9 and 10	26	9	52	41	--	27	7	4	4	2	172
11 and 12	34	9	39	43	1	26	8	3	2	--	165
13 to 18	46	24	97	51	1	35	3	4	1	8	270
19 to 23	13	11	40	25	1	18	7	4	1	3	123
24 or longer	63	37	129	82	1	67	14	6	6	11	416
Total	685	359	1,195	1,182	67	689	178	113	32	103	4,603