

PERSONAL JOURNAL.

© Copyright 2008 Dow Jones & Company, All Rights Reserved

THE WALL STREET JOURNAL.

Insurers Pressed To Pay More For Prostheses

BY VANESSA FUHRMANS

BIG ADVANCES in technology have raised the costs of prosthetic limbs, and that has made them a target for cutbacks in health-care coverage.

Many private health plans cap prosthesis coverage at \$2,500 or \$5,000 a year, or pay for just one device per limb in a lifetime, sometimes even for a growing child. The most basic devices can cost between \$3,000 and \$15,000, while mechanically advanced or computer-assisted models can cost up to \$40,000.

Now, amputees and prosthetic-device makers are pushing state legislatures around the country to pass laws that mandate prosthesis coverage. The goal is to force private health plans to offer coverage comparable to that provided by Medicare, which pays at least 80% of the cost of prostheses and allows regular replacement of artificial limbs. Health insurers oppose such mandates, saying they reduce consumer choice and drive up costs.

Prosthetic devices are among the biggest-ticket items affected by the growing effort of insurers and employers to curb rising health costs by asking patients to pay a bigger percentage of their medical bills. For people who need artificial limbs, the receding coverage can mean paying tens of thousands of dollars to fill the gap.

Sometimes, cuts in prosthetic coverage are tucked into a health plan's fine print, and employers and workers might not be aware of coverage limits. In plan benefit summaries, health insurers increasingly lump prostheses with durable medical equipment—a catchall category that also includes crutches, wheelchairs and other less expensive items. So accepting a \$2,500 cap on such equipment in exchange for a lower premium increase might seem like a reasonable deal, until the employer or employee realizes that the cap counts toward costly prosthetic limbs as well.

Until two years ago, Caitlin Palmer's below-the-knee prosthesis was covered at 100% through her father's health plan. Caitlin, whose leg was amputated shortly after birth due to a defect, is now a 14 year old in her school's color guard who is still growing. She's already gone through 10 prostheses, even though the family had stretched the life of a few "with duct tape," her mother, Michele Palmer, says.

But when the Palmers submitted a claim for a recent repair, they discovered that the plan, insured by **Independence Blue Cross**, now paid only 50% or 75%, depending on whether the work was done by an in- or out-of-network prosthetist.

A spokeswoman for Independence said Mr. Palmer's employer, a municipal township in eastern Pennsylvania, had switched to a plan with a lower premium increase, but more employee cost-sharing. When Mr. Palmer told his employer about

Please turn to page D3

Paying for Prosthetic Devices

Continued from page D1

the change, "they were so upset for him. They didn't realize," Mrs. Palmer says, adding that she worries how the family can afford its share of future prostheses.

So far, eight states have passed laws mandating prosthetic coverage comparable to that offered by Medicare. Among the earliest such laws, California, Massachusetts and Rhode Island passed theirs in 2006, while New Jersey enacted legislation in January. Similar legislation has been under consideration recently in 27 other states, but faces stiff resistance in some places.

Unlike many private insurers, Medicare doesn't consider more expensive computer-assisted artificial limbs as "experimental" and covers them, too. The government health-care program for the elderly also generally allows replacement of prostheses every five years.

Health insurers say mandated coverage denies consumers and small employers the option to buy less expensive plans without benefits they may not want or need. "The issue isn't the merits of any single mandate," says Mohit Ghose, a spokesman for insurance lobby America's Health Insurance Plans. "It's what mandates collectively do to the affordability of health insurance."

Proponents of mandates say the added coverage would cost just pennies in monthly premium increases, given that there are fewer than two million Americans living without a limb. Equipping amputees with an arti-

Are You Covered?

Insurance limitations on prostheses and other big-ticket items are often hard to spot in a plan's fine print. Here's how to tell how well your plan covers them and what to do if it falls short.

- **Look past the summary of benefits.** Some plans tuck prostheses in a category called Durable Medical Equipment, such as wheelchairs and crutches, and cap annual coverage at a few thousand dollars or less.
- **Ask the insurer or plan administrator** if some devices are excluded. Some still deem computerized prostheses as experimental.
- **Contact your human-resources department.** Many employers have little knowledge of the details of their plans but sometimes intercede on employees' behalf. Aware of a serious coverage limitation, some will shop for a new plan.
- **Get the insurance rate.** Like doctors, prosthetists accept big discounts from insurers. Ask for at least the same price.

ficial leg or arm that keeps them active and productive, they say, also prevents other medical costs and complications, such as back problems or obesity.

"You'd think that there isn't anything more basic than making sure someone has an arm and leg," says Keith Molinari, who found his private health insurance covered only a fraction of a basic prosthesis when his 10-year-old son, Chase, lost his leg to cancer as an infant. The Molinaris, in Roscoe, N.Y., made what they say was an emotionally difficult decision to have their son, who outgrows his artificial legs nearly every year, declared disabled so he would qualify for Medicaid, the joint state/federal program for the poor. Mr. Molinari has since changed jobs and now is enrolled in a plan that provides adequate coverage for prostheses.

The Amputee Coalition of

America, an advocacy group backed by both prosthesis makers and individual amputees, has launched a campaign to introduce a bill in Congress. A big backer of the effort is **Hanger Orthopedic Group Inc.**, the biggest player in the \$2.5 billion U.S. prosthetics market. The coalition plans to enlist amputated Iraq war veterans—many of whom have state-of-the-art prostheses through veterans' benefits—to help make the case.

Amputee advocates face an uphill battle in some states. Five years ago, a grassroots effort in Virginia succeeded in getting a bill introduced but then stalled at the level of an advisory commission. More recently, **Virginia Prosthetics Inc.**, the state's biggest prosthesis maker, spearheaded a more organized campaign, hiring consultants and at one point last fall chartering a bus to bring nearly four dozen patients and family members to testify before state legislators.

The emotional testimony helped the proposal pass out of the commission and two committees. But the state senate shelved the bill last month. According to state estimates, the additional coverage would have raised consumers' monthly premiums on average less than 25 cents a month.

Reginald Jones, an attorney representing the Virginia Association of Health Plans, says small businesses bear the brunt of the cost of state insurance mandates, because most large-employer health plans are governed by federal law. "There's a tradeoff," Mr. Jones says. "It's probably more important to have more people insured with basic coverage and fewer uninsured, than a few people insured with a lot of coverage."



Prosthetic legs in various styles and materials.