Connecticut Amputee Network

Insurance Parity for Prosthetic Devices

The Common Sense Case

It defies common sense that an individual who have suffered amputation or was born with missing or malformed limb(s) are denied coverage for prosthetic devices by private insurance companies because missing limbs are not defined as an "essential health benefit." Far too often, insurance claims for prosthetic and orthotic devices are denied, labeled as "not medically necessary," yet surgical procedures that include prosthetic knees, hips and shoulders are consistently approved within 24 to 48 hours.

It defies common sense that private insurance companies ignore medical studies that document cost savings within 12 to 18 months when proper prosthetic care is provided. Artificial limbs provide a good return on investment (studies by impartial third-party researchers RAND and Dobson DeVanzo). Total medical costs, including the prosthetic limb, are within one percent of costs for patients that do not receive a prosthesis. Instead, insurance companies cling to their argument of "no new mandates."

It defies common sense to reject legitimate claims because insurance companies fear fraud. There are standard practices in place by Medicare and Medicaid to protect against fraud. There are stringent rules regarding doctors' notes for establishing medical necessity, and both agencies conduct regular audits.

It defies common sense that insurance companies are not considering the total healthcare cost of a person when denying a claim for a prosthetic limb as "not medically necessary." The RAND and Dobson DeVanzo studies show a strong connection between use of an appropriate prosthetic device and positive improvement in a patient's health. Without the prosthesis, patients may suffer from serious medical complications that cost the patient *and* the insurance company money. Complications may include: obesity, depression, heart disease, and vascular problems. Conversely, amputees using prostheses resume many if not all of their previous activities and largely avoid health complications. They return to work, pay taxes and insurance premiums, and exercise.

Some insurance companies routinely reject medical claims for prosthetic devices, counting on Medicaid or other social service programs to shoulder the expense. **It defies common sense that the State allows this practice to continue.** When a working adult is denied a prosthetic device, he or she is unable to return to work and becomes dependent on spouses and family members. The burden imposed on all caregivers may put a second household income at risk. This can lead to poverty and reliance on Medicaid, increasing the financial burden on the public taxpayers.

It defies common sense to deny claims for MPKs (microprocessor controlled knees). Despite the insurance industry questioning the economic value of more expensive advanced MPK prostheses, recent research shows evidence to the contrary. Research findings show there are far fewer falls and deaths when qualified above-knee amputees use MPKs, and therefore direct and indirect annual medical costs are markedly lower. We detail the findings of the RAND study in our Business Case.

For additional information or questions, please contact us:

Herb Kolodny
herb@CTAmputeeNetwork.org
203-288-5472 (H)
203-530-7986 (M)

Brenda Novak
brenda@CTAmputeeNetwork.org
480-353-9337 (M)