

Complex Rehab Technology --- Facts and Figures

- **Complex Rehab Technology (CRT) products and services are significantly different than standard Durable Medical Equipment (DME)-** The DME benefit was created over forty years ago to address the medical equipment needs of elderly individuals. Over the years technology has advanced and now includes complex rehab power wheelchairs, highly configurable manual wheelchairs, adaptive seating and positioning systems, and other specialized equipment. These products are classified as Complex Rehab Technology. Suppliers who furnish CRT provide highly specialized products and services which are much different than standard DME.
- **These specialized products are used by a small population of children and adults who have significant disabilities and medical conditions-** Individuals who require CRT will typically have a complex disability or medical condition such as, but not limited to, Cerebral Palsy, Muscular Dystrophy, Multiple Sclerosis, Spinal Cord Injury, Amyotrophic Lateral Sclerosis, or Spina Bifida. CRT products enable these individuals to deal with their daily physical, functional and cognitive challenges and play a critical role in addressing the complex medical needs of these children and adults and in keeping them active and functional within their homes and communities. These products not only supply independence and function, but also keep the overall cost of healthcare down by reducing additional medical complications and caregiver requirements.
- **Similar to the provision of custom Orthotics and Prosthetics, the process of providing CRT products is typically done through a clinical model and is service intensive-** The provision of CRT is typically done through an interdisciplinary team consisting of, at a minimum, a Physician, a Physical Therapist or Occupational Therapist, and a credentialed Rehab Technology Professional. The team collectively provides clinical services and technology-related services designed to meet the specific and unique medical and functional needs of the individual. The activities of the supplier are labor-intensive and include initial assessment, trial equipment and simulation, technology assessment, home assessment, research and recommendation, documentation and funding approval, purchasing, assembly, delivery, fitting, adjusting, product training, short term follow-up, and, finally, ongoing repair and maintenance.
- **CRT companies have significant operating costs and minimal profit margins-** A 2008 financial study of the industry indicated, on average, a CRT company spent 49% of revenue on product acquisition costs and 46% of revenue on operating costs. These operating costs covered the following activities: intake, qualification, and documentation (6%); evaluation, specification, and fitting (11%); purchasing, receiving, assembly, and delivery (6%); service and repair (5%); billing and collection (6%); regulatory and compliance (2%); and sales, administration, and support (10%). As a result of these significant product and operating costs, CRT companies reported pretax profit margins averaging less than 5%. These results do not reflect the impact of additional cuts that have been implemented since 2008.
- **There are only a limited number of qualified suppliers that provide these specialized products and services-** This is a difficult business as companies providing CRT products must maintain the required trained and credentialed staff, supporting systems and facilities, and related company accreditations to perform the necessary activities. Meeting these requirements comes with significant operating challenges and costs along with low profit margins. As a consequence, there are a very limited number of companies that provide CRT and that number is decreasing across the country.

For more information on CRT, visit the
National Coalition for Assistive and Rehab Technology (NCART) at www.ncart.us