

Savings Estimate for the Lymphedema Treatment Act (S.1315/H.R.3630)

The Lymphedema Treatment Act is projected to save the Medicare program at least \$1.3 to \$1.5 billion during the first 10 years, with additional savings likely.

The Lymphedema Advocacy Group commissioned Avalere to estimate the one-year savings potential associated with the coverage of lymphedema compression treatment items as proposed in the Lymphedema Treatment Act (S.1315/H.R.3630). The estimated savings in key areas are presented on the table below.

The full report states: “In addition, patients with lymphedema may not be comprehensively captured in the observational studies and/or claims data due to lack of reported diagnosis, misdiagnosis, or because they are not accessing care, thereby not allowing for more accurate estimates and resulting in **an underestimation of the actual savings potential.**”¹

Further, expert opinion and considerable clinical evidence support the expectation that additional savings would also occur in the following areas due to reduced disease progression and fewer complications, but these categories were not included in the savings estimate. In 2019, the lymphedema-related Medicare fee-for-service (FFS) costs were:

- **\$50.7 million** for evaluation and management services at a physician’s office
- **\$19.8 million** for physical and occupational therapy services
- **\$20.7 million** for emergency department services
- **\$49.9 million** for compression pump use

Per the below table, with an annual savings of \$126.9 million in hospitalizations and post-acute care, and up to an additional \$18.5 million in VLU-related treatment costs, enactment of the Lymphedema Treatment Act will save the Medicare program at least \$1.3 to \$1.5 billion over the 10-year scoring window from these savings categories alone.

Potential Annual Savings Associated with Coverage of Lymphedema Compression Treatment Items, CY 2021\$

Savings Category	Medicare		Medicaid		Private Insurance	
	Aggregate	Per Person*	Aggregate	Per Person*	Aggregate	Per Person*
Hospitalizations	\$81.0m	\$6,800	\$2.7m	\$4,000	\$13.4m	\$10,500
Post-Acute Care (Skilled Nursing Facility and Home)	\$46.0m	\$13,700	\$0.8m	\$8,100	\$5.9m	\$21,200
TOTAL	\$126.9m	\$20,400	\$3.5m	\$12,100	\$19.3m	\$31,700
Treatment of Venous Leg Ulcers (VLUs)	\$18.5m	\$800	Data not available	Data not available	Data not available	Data not available

Note: The inpatient and post-acute savings estimates can be added together since they are mutually exclusive; savings associated with the treatment of VLUs are across all settings of care and therefore there might be some level of overlap with the first two savings categories. (*Rounded to the nearest \$100.)

¹ <https://lymphedematreatmentact.org/wp-content/uploads/2021/06/Lymphedema-Treatment-Act-Savings-Estimate.pdf>