



*Caring that Feels Right at Home*

## Press Release

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### **Homecare Providers Testify in Small Business Committee Hearing that Controversial Medicare Bid Program Will Cut American Jobs, Eliminate Small Businesses and Hurt Patients**

*Homecare Provider Georgetta Blackburn Warns House Small Business Committee That “Competitive” Bidding Will Eliminate 90 Percent of Homecare Providers and Cut Jobs*

ARLINGTON, VA. (February 11, 2009) – American Association for Homecare member and homecare provider Georgetta Blackburn today testified on behalf of the Association at the House Committee on Small Business hearing on “The Impact of Competitive Bidding on Small Businesses in the Durable Medical Equipment Community.” The hearing was held today at 10:00 a.m. in the Rayburn House Office Building, Room 2360.

Blackburn, Vice President of Pittsburgh home medical equipment company BLACKBURN’S, urged lawmakers to permanently suspend the controversial Centers for Medicare & Medicaid Services (CMS) “competitive” bidding program. Remarks from her testimony are provided below:

“This competitive bidding program is anti-competitive and fundamentally flawed. It will eliminate 90 percent of the homecare providers—typically small, family-owned businesses—in any marketplace where it is implemented. ... It constitutes a government-mandated consolidation of the marketplace that will lead to significant job losses precisely at a time when the government is making efforts to stimulate job creation.”

The so-called “competitive” bidding program would selectively contract a small group of homecare providers based solely on lowest-cost, forcing out providers who utilize high-quality homecare equipment or provide critical patient services. The initial roll-out of the program in 2008 had disastrous results for the four million patients affected and for thousands of local providers—mostly small businesses—that would have been excluded from Medicare as a result of the first round of bidding.

Blackburn testified that the program is actually anti-competitive, in that it clears the marketplace of competition by reducing the number of eligible providers that furnish high quality equipment and services to Medicare beneficiaries. The bidding program would result in job losses and small business failures at a time when the government is trying to preserve jobs. This systematic elimination of thousands of homecare providers threatens the quality of, and access to, care for patients due to forced cutbacks in homecare services—cutbacks that also increase the length and cost of hospital stays as the number of home medical equipment providers shrinks. For more information on competitive bidding, please visit: [www.aahomecare.org/competitivebidding](http://www.aahomecare.org/competitivebidding).

Home medical equipment and care is already the most cost-effective, slowest-growing portion of Medicare spending, increasing only 0.75 percent per year according to the most recent National Health Expenditures data. That compares to more than 6 percent annual growth for Medicare spending overall. Home medical equipment represents only 1.6 percent of the Medicare budget. The home medical equipment sector was subjected to a 9.5 percent reimbursement cut that took effect on January 1, 2009.

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*The American Association for Homecare represents durable medical equipment providers, manufacturers, and other organizations in the homecare community. Members serve the medical needs of millions of Americans who require oxygen equipment and therapy, mobility assistive technologies, medical supplies, inhalation drug therapy, home infusion, and other medical equipment and services in their homes. The Association's members operate more than 3,000 homecare locations in all 50 states. Visit [www.aahomecare.org](http://www.aahomecare.org).*

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