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Press Release

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Home Medical Sector Will Work with Congress to Eliminate Flawed “Competitive” Bidding Program

ARLINGTON, VA, April 21, 2009 — The American Association for Homecare expressed dismay that Medicare is pushing forward with a deeply flawed “competitive” bidding program for home medical equipment and services. The Centers for Medicare and Medicaid Services (CMS) announced on April 17 that it would not delay the April 18, 2009 effective date of the regulation implementing the program.

“Given the significant problems with the program highlighted over the past year, and in light of the repeated concerns expressed by Congress in 2008 and more recently, we are surprised by the CMS decision to move forward,” said Tyler J. Wilson, president of the American Association for Homecare. “We are working with Congress to stop this bidding program because it fundamentally misrepresents the durable medical equipment benefit as equipment-only instead of recognizing the integral services that are essential to providing quality care to seniors and people with disabilities who live at home.

“We will also work closely with the Obama administration to make sure that the Department of Health and Human Services and the White House review this program and take into account the numerous concerns expressed by patient and provider groups.”

Last week, a bipartisan group of 84 members of the U.S. House of Representatives led by Rep. Betty Sutton (D-Ohio) sent a letter to CMS and the Department of Health and Human Services urging the administration to rescind the regulatory rule that implements the controversial program. Several U.S. Senators, including Sen. Bob Casey (D-Pa.), Sen. Charles Grassley (R-Iowa), Sen. Pat Roberts (R-Kan.), and Sen. Arlen Specter (R-Pa.) sent similar letters.

The letter from the 84 members of the House stated, “As growing numbers of seniors enter the Medicare program, it is important that we take care to maintain an adequate number of qualified and capable providers to address demand for care in the home, especially in rural areas.”

The bidding program was suspended by Congress in July 2008 because of serious irregularities during the implementation. As currently designed, the program’s anti-competitive effects belie its title. It will put 90 percent of providers—many of which are small businesses—out of business, costing jobs and livelihoods. It will lower the quality of care and reduce access to care for seniors and people with disabilities. This bidding program selectively contracts with a small group of home medical providers based on the lowest bid, forcing out providers who use high-quality equipment or provide critical patient services.

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In announcing its intention to move forward, the agency said, “CMS will continue to seek input from all affected stakeholders to ensure program implementation consistent with the legislative requirements.” The American Association for Homecare believes that the new Administration must take steps to gather and consider information from stakeholders who will be affected by the program in order to protect the integrity of the home medical equipment benefit in Medicare.

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 from the federal government. That rate 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 American Association for Homecare represents durable medical equipment providers, manufacturers, and other organizations in the homecare community in all 50 states. Providers of home medical equipment and services serve the medical needs of millions of people who require oxygen therapy, power wheelchairs, hospital beds, and other equipment, services, and supplies that allow them to remain in their homes. Visit www.aahomecare.org.