

House Altmire-Hall Sign-on Letter Regarding Competitive Bidding Transparency

August 2, 2010

Dear Administrator Berwick:

We are writing to request that the Centers for Medicare and Medicaid Services (CMS) disclose to us the list of the providers, by product category, whose bids were used to calculate the single payment amounts under the re-bid of Round One of the competitive bidding program for durable medical equipment, prosthetics, orthotics and supplies (DMEPOS). Without knowing the identity as well as the appropriate overall qualifications of these providers, we cannot evaluate the program's impact in terms of quality and access to care for seniors we represent.

As you are aware, during the initial Round One bidding process in 2008, a significant number of providers who signed contracts were later determined to be sufficiently flawed in their qualifications. Among the problems that surfaced were that bidders did not have the financial resources to deliver services to a larger number of patients or they had no experience in the product categories for which they were awarded bids. Additionally, it was discovered that several "winners" did not have the required certification or licensure to provide the devices and services for which they were awarded contracts, or they simply did not have a physical location in the area. It was for these reasons and others that Congress delayed implementation of the program and required a re-bid.

We want to ensure that qualified providers have been chosen to provide these items and services to our constituents. Our district hospitals, physicians and elders who rely on home medical equipment services will be dependent on the winning bid companies for these critical in-home products. The healthcare community will again have very serious problems if it turns out once more that these companies are unable to provide sufficient access to quality items and services or do not have the financial ability to operate under the new contracted rates.

We understand that it is the intent of CMS to release the names of the winning providers in September after it has finalized contracts with these companies. Given the concerns with this process in the past, we seek this information now in order to evaluate the Round One re-bid in an open and transparent manner.

Accordingly, we respectfully request that CMS provide to us a list of the names of the suppliers, product categories and competitive bidding areas for each of the suppliers whose bids were used to determine the payment amounts no later than Friday, August 13, in order to enable us to appropriately assess the program's ability to meet the medical needs of our constituents.

We look forward to receipt of the requested information promptly, and thank you for your cooperation in enabling us to protect the health interests of our seniors.

Sincerely,