

May 15, 2008

Delay Round 1 of DME Competitive Bidding

Sign bipartisan letter asking for delay

Dear Colleague:

We would like to invite you to join us in sending a letter to leaders of the Ways and Means Committee requesting a delay for implementation of Round 1 of the durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) competitive bidding program which is scheduled to take effect on July 1.

I am sure that every office has heard from DMEPOS providers in their districts with concerns over how CMS has conducted the bidding process for this program. Multiple concerns have been raised that should be addressed before this program is allowed to go forward. I hope you will review the attached letter and join us in sharing our concerns and urging that implementation be delayed.

For additional information or to sign onto the letter, please contact Elizabeth Brown (Tanner), Beth Nelson (Hobson) or Erik Komendant (Altmire). The deadline to sign the letter is Thursday, May 22.

Sincerely,

/s

John Tanner, M.C.

/s

David Hobson, M.C.

/s

Jason Altmire, M.C.

DRAFT

May 15, 2008

Honorable Fortney Pete Stark
Chairman
House Committee on Ways and Means
Subcommittee on Health
1135 Longworth House Office Building
Washington, D.C. 20515

Honorable Dave Camp
Ranking Member
House Committee on Ways and Means
Subcommittee on Health
1135 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Stark and Ranking Member Camp:

We write to bring to your attention our continuing and serious concerns with the Medicare durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) competitive bidding program and ask that you support legislation this year to delay the implementation of this program until outstanding issues can be resolved.

Our overall concern is focused on the implementation of the program thus far and its implications for Medicare beneficiaries receiving high quality health care. Almost four million Medicare beneficiaries will be impacted by Round 1 of the competitive bidding program scheduled to take effect July 1. Eighteen million beneficiaries will be affected by Round 2 which is scheduled for implementation in July 2009. Our request is legislation that would delay the implementation of this program until outstanding issues are resolved.

Our first concern is the alleged discrepancies between information submitted by bidders and received by the Center for Medicare and Medicaid Services (CMS). We have all heard from long-standing companies who have offered quality homecare services for decades, but who have been excluded from the bidding program, apparently through no fault of their own. The vast majority of rejected bidders were informed that they have not submitted sufficient financial information, when in many cases, bidders have evidence they had. These rejected bidders have no appeal rights.

In other examples, reputable home oxygen providers were disqualified for allegedly bidding too low on certain individual items subject to bidding, while other providers based outside the market area were offered contracts for similarly-priced bids. Another serious concern is the reports of companies who won bids to serve beneficiaries in areas where the company has no proximate physical location and where the company has no history of serving. It is possible that contract suppliers may be able to quickly subcontract with local homecare providers, but we are very concerned that the suppliers will not be able to meet the needs of Medicare beneficiaries in bidding areas effective July 1, 2008.

Finally, we are seeking more transparency from CMS as to how bidders' financial information and service capacity were evaluated and how the single payment amount was calculated. We have heard about numerous data anomalies and believe this information is critical to the bidding program's success. At the very least an internal review should be conducted to ensure the accuracy and effectiveness of the criteria for future bidding. We all agree that it is of the utmost importance that we protect access to quality medical supplies for all of Medicare beneficiaries and people with disabilities. Therefore, we urge that the implementation of Round 1 be delayed for at least a year.

Sincerely,

John Tanner, M.C.

David Hobson, M.C.

Jason Altmire, M.C.

cc: Honorable Nancy Pelosi, Speaker;
Honorable Steny Hoyer, Majority Leader;
Honorable John Boehner, Minority Leader