



November 14, 2011

The Honorable Glenn Thompson  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Jason Altmire  
U.S. House of Representatives  
Washington, DC 20515

Dear Representatives Thompson and Altmire:

On behalf of the National Federation of Independent Business (NFIB), the nation's leading small business organization, we are writing in support of H.R. 1041, the Fairness in Medicare Bidding Act. This bill repeals the Medicare competitive bidding program for durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS).

In 2003, the Medicare Modernization Act required that the Centers for Medicare & Medicaid Services (CMS) implement a competitive bidding process to contract with suppliers and other providers for certain types of equipment and supplies. Congress, with the support of NFIB, delayed the expansion of the process because of fundamental problems with the design of the program. However, this delay has not stopped CMS from re-launching it, and the new healthcare law accelerates subsequent rounds of competitive bidding.

This flawed program forces small providers to submit unsustainable bids in order to compete for contracts and restricts access to and choice of DMEPOS items and services. According to CMS, approximately 85 percent of registered DMEPOS suppliers are small businesses. The competitive bidding program threatens the viability of these businesses.

Small businesses provide specialized services to beneficiaries and their presence is critical to ensuring that healthcare remains accessible in their communities. Small suppliers typically know their customers personally, are familiar with their unique needs, and often go out of their way to assure that those needs are being addressed.

This bipartisan legislation to end the DMEPOS program is critical to providing the certainty necessary for America's small businesses to survive and continue to meet the needs of the communities who depend on their services. NFIB commends you for introducing H.R. 1041, and we look forward to working with you.

Sincerely,

A handwritten signature in black ink that reads "Susan Eckerly". The signature is fluid and cursive, written in a professional style.

Susan Eckerly  
Senior Vice President  
Public Policy