



**CONTACTS:** Wendy Russalesi, 732-503-5665, [info@jamesofnj.org](mailto:info@jamesofnj.org)  
Michael Reinemer, 703-535-1881, [michaelr@aahomecare.org](mailto:michaelr@aahomecare.org)

## **Jersey Home Medical Equipment Group Supports Bipartisan Bill to Repeal the Controversial Medicare “Competitive” Bidding Program for Homecare**

JACKSON, NJ, March 29, 2011 ---- The Jersey Association of Medical Equipment Services strongly endorses bipartisan legislation to repeal the misguided and deeply flawed Medicare “competitive” bidding program for home medical equipment and services (durable medical equipment). The bill, H.R. 1041, was introduced by Congressmen Glenn Thompson (R-Pa.) and Jason Altmire (D-Pa.) on March 11, 2011 and is titled the “Fairness in Medicare Bidding Act.”

Wendy Russalesi, executive director of the Jersey Association of Medical Equipment Services, commented, “The Medicare bidding program for home medical equipment will affect many of the 1.3 million Medicare beneficiaries in New Jersey. This program will delay access to necessary medical equipment, reduce the quality of the medical equipment provided, and place additional economic strain on the small business community of New Jersey.”

The bidding program was implemented on January 1, 2011 in nine metropolitan areas (MSAs) across the U.S. and will expand to an additional 91 areas later this year including three MSAs in New Jersey beginning this year. Those three areas cover 80 percent of the state. The bidding applies to medically required oxygen therapy, enteral nutrients (tube feeding), continuous positive air pressure (CPAP) and respiratory assistive devices, power wheelchairs, walkers, hospital beds and support surfaces, and mail-order diabetic supplies.

The American Association for Homecare has received hundreds of complaints about the bidding program from beneficiaries, physicians, case managers, and homecare providers. These complaints will increase exponentially as the program progresses because the payment rates established under this system are unsustainable over the long term. These payment rates are leading to the provision of lower-quality medical equipment and reduced services associated with home medical equipment.

"Of all the items that impact healthcare at home, Medicare had chosen the most service-intensive therapies for bidding including home oxygen, sleep apnea devices and enteral feeding," said Bob Miller of Bach's Home Health Care, located in Hackettstown, NJ. "You cannot bid out 24-hour emergency service, constant re-education to patients to avoid additional hospitalizations or skilled nursing facilities, and the dialogue and interaction between physicians and the healthcare professionals we employ. Once these items are bid upon, all the services provided today at NO cost to Medicare patients suffer. Home care solves problems, it does not create them. Compare a month's worth of home oxygen, which includes 24-hour service, at around \$175 per month to your monthly cable TV bill of over \$200 and you determine where the real value is in homecare!"

A number of patient advocacy and consumer groups also support H.R. 1041 – the ALS Association, the Brain Injury Association of America, the Christopher and Dana Reeve Foundation, the International Ventilator Users Network, the Muscular Dystrophy Association, National Emphysema and COPD Association, the National Council on Independent Living, the National Spinal Cord Injury Association, and United Spinal Association, among others.

The Jersey Association of Medical Equipment Services opposes the program for three key reasons:

### **It Sacrifices Care for Seniors and People with Disabilities**

The program restricts access to and choice of home medical equipment and services. It triggers a race to the bottom in terms of quality. Less expensive items will be provided to patients. With fewer providers, expedient delivery of items and services will be eliminated and Medicare costs will increase.

### **The Program Is Anti-Competitive and Kills Jobs**

The bid program is anti-competitive. By design, the program severely and artificially restricts the number of companies that are allowed to provide the equipment and services that are subject to bidding. The Association estimates that this program will result in approximately 100,000 job losses nationwide.

### **Not Cost-Effective, Not a Solution for Health Care**

The bidding program will increase Medicare costs. It disrupts the continuum and coordination of care between doctors, discharge planners, patients, and homecare providers. It will lead to longer, more expensive hospital stays and more physician office visits, nursing home admissions, and emergency room visits.

Since the January 1 implementation of the bidding program in nine areas in the U.S., the following types of problems and complaints have been reported:

- Difficulty finding a local equipment or service provider;
- Delays in obtaining medically required equipment and services;
- Longer than necessary hospital stays due to trouble discharging patients to home-based care;
- Far fewer choices for patients when selecting equipment or providers;
- Reduced quality; and
- Confusing or incorrect information provided by Medicare.

In November, 2010, 167 leading economists, including two Nobel laureates and auction experts who have experience in the design and application of auctions around the world, warned Congress that Medicare's bidding design for home medical equipment will fail. Those experts, who design market-based auction systems, found that this particular bidding program designed by Medicare has irreparable flaws that will prevent it from achieving its objectives of establishing accurate reimbursement rates while maintaining high quality equipment and related services. Under this system, the bidding companies are not bound by their bids, which undermines the credibility of the process and encourages "low-ball" bids that create an unsustainable process and threaten the long-term viability of the program.

Last year, a bipartisan group of 260 members of the U.S. House of Representatives supported legislation, H.R. 3790, to repeal the bidding program.

*The Jersey Association of Medical Equipment Services (JAMES), established in 1978, disseminates information related to the delivery of Home Medical Equipment to providers of these services. It is the goal of the organization to keep its members informed of industry changes and related information necessary to maintain quality of care in providing home medical equipment, supplies and services to the patients who rely on us. Our membership is comprised of more than 70 members and manufacturers doing business in the state of New Jersey. For more information, please visit [www.jamesofnj.org](http://www.jamesofnj.org) or contact us by phone at 732-503-5665.*

For details about the bidding program, visit [www.aahomecare.org/competitivebidding](http://www.aahomecare.org/competitivebidding).