

United States Senate

WASHINGTON, DC 20510

February 29, 2008

The Honorable Kent Conrad
Chairman
Senate Budget Committee
624 Dirksen Senate Office Bldg.
Washington, D.C. 20510

The Honorable Judd Gregg
Ranking Member
Senate Budget Committee
624 Dirksen Senate Office Bldg.
Washington, D.C. 20510

Dear Chairman Conrad and Ranking Member Gregg:

We are writing with respect to the Committee's Fiscal Year (FY) 2009 Budget Resolution to urge you not to assume payment reductions in the Medicare home oxygen therapy benefit.

We believe that further payment reductions this year, coming on top of several recent cuts and an estimated 20 percent reduction that will take effect over the next several months under current law, could jeopardize care for some patients and make benefit reform much more difficult to achieve.

Every year, more than a million Medicare beneficiaries suffer from chronic obstructive pulmonary disease (COPD). COPD is a progressive, non-curable disease that causes irreversible loss of lung function that threatens patients' ability to perform even routine, daily tasks. COPD is the fourth largest killer in the United States. The sickest COPD patients need oxygen therapy to breathe, to mitigate the symptoms of COPD, and to slow the disease's progression. Patients tend to be old, very sick, and suffer from coexisting conditions, such as dementia, congestive heart failure and arthritis. Importantly, home oxygen therapy allows beneficiaries to remain independent by receiving care in their homes for less than \$10 per day, rather than in costlier hospitals or nursing homes.

Home oxygen therapy providers are the first line of care for these patients, helping to reduce adverse symptoms and improve quality of life through patient education and ongoing monitoring. Home oxygen therapy, when properly prescribed and used, can slow lung degeneration and prevent hospitalizations, saving scarce Medicare dollars.

Since 1998, the home oxygen payment system has been subjected to repeated changes and cuts. The most significant of those cuts will be realized in the next 10 months, when payment reductions of nearly 20 percent will take effect through the implementation of new competitive bidding rules and the imposition of a cap on Medicare payments after 36 months. We ask the Committee to weigh the cumulative effect of these cuts and reject assumptions of additional funding reductions.

During the coming months, we look forward to working with you on this important issue. We appreciate your attention to this matter as we strive to protect Medicare beneficiary access to home oxygen therapy.

Sincerely,
