



*Caring that Feels Right at Home*

## Press Release

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### **Home Medical Equipment Providers and Lawmakers Discuss Cost-Effective Role of Home-Based Care during Washington Meeting**

ARLINGTON, VA, March 5, 2010 ---- More than 250 providers of home medical equipment and services from across the U.S. met with members of Congress this week during the American Association for Homecare's Washington Legislative Conference. Homecare advocates discussed the value and cost-effectiveness of home-based care, the race-to-the-bottom impact on services, and disruptions to patient care that will be triggered by Medicare's controversial "competitive" bidding program. Speakers at the conference included Senator Amy Klobuchar (D-Minn.) and Congressmen Heath Shuler (D-N.C.) and Jason Altmire (D-Pa.).

"High-quality home-based care is by far the most cost-effective setting for post-acute care," said Tyler J. Wilson, president and CEO of the American Association for Homecare. "Effective use of home medical equipment and services helps reduce spending throughout the healthcare system by ensuring a smooth transition from hospital to home and by preventing trips to the emergency room, hospital readmissions, and nursing home stays."

Homecare providers gathered in Washington called on Congress to support H.R. 3790, a bipartisan bill to replace the misguided Medicare bidding program with a fiscally responsible alternative that substantially reduces Medicare spending for home medical equipment but allows providers of home medical equipment to continue serving Medicare beneficiaries. The bill currently has 162 cosponsors so far including 38 percent of the Democrats and 37 percent of Republicans in the House. Representatives Altmire and Shuler are among the cosponsors.

As designed by Medicare, the bidding program will dramatically reduce the number of home medical providers, regardless of their willingness to accept lower reimbursement rates.

Organizations that support H.R. 3790 include the American Association for Respiratory Care, the American Association of People with Disabilities, Cerebral Palsy Association of Ohio, International Ventilator Users Network, the Muscular Dystrophy Association, the National Council on Independent Living, the National Spinal Cord Injury Association, Post-Polio Health International, United Spinal Association, and the University of Pittsburgh Medical Center, among others.

The initial roll-out of the bidding program in 2008 produced disastrous results for home medical patients and for providers (mostly small businesses) that were excluded from Medicare as a result of the first round of bidding. These problems will occur again, including:

- **Disruption to patient services** – Patients were forced to go to multiple, unfamiliar providers for different items and services. Informal surveys showed that some winning providers were unable to provide care to beneficiaries.
- **Greater costs to Medicare due to longer hospital stays** – Patients were confused about the restricted list of contracted home medical providers; hospital discharges were delayed; and unnecessary emergency room visits were triggered.
- **Non-local providers** – Providers with no history of servicing a geographic area or no operations in a bidding area were awarded contracts.
- **Inexperienced/unlicensed providers** – Companies were awarded Medicare contracts to provide equipment and services for which they had little or no previous experience providing.
- **Suicide/Desperation bidding** – Structural flaws in the bidding program caused providers to submit artificially low bids because they were faced with the threat of losing their practices if not awarded a contract. Winning contracts were viewed as commodities that could be sold once a bid was won.

The providers also urged Congress to:

- **Take tough new steps to address fraud and abuse in Medicare.** The American Association for Homecare presented 13 specific recommendations to eliminate Medicare fraud attributed to the home medical equipment sector. These proposals are far more effective than the “pay and chase” method and make more sense than the long cycle of unwarranted cuts to Medicare reimbursement for home medical equipment or overly burdensome rules and regulations that only hamper legitimate providers. The Association endorses anti-fraud legislation in Congress – the Prevent Health Care Fraud Act of 2009 in the Senate, S. 2128, and its House companion bill, H.R. 4222.
- Co-sponsor the Home Oxygen Patient Protection Act of 2009, H.R. 2373, which restores Medicare payments for oxygen therapy for the period of medical need. Providers urged Congress to strengthen the oxygen benefit to link reimbursements to patient need, increase transparency regarding cost and quality, and recognize that a strong service component is essential to providing effective home oxygen therapy.
- Preserve Medicare beneficiaries’ option of purchasing power wheelchairs during the first month of use for those beneficiaries with life-time need for the power wheelchairs.
- Refrain from imposing an excise tax on manufacturers of durable medical equipment, which will drive jobs overseas and will cut into research and development that keep companies competitive.

*The American Association for Homecare represents durable medical equipment providers, manufacturers, and others in the homecare community that serve the medical needs of millions of Americans who require oxygen equipment and therapy, mobility assistive technologies, medical supplies, inhalation drug therapy, and other medical equipment and services in their homes. Members operate more than 3,000 homecare locations in all 50 states. Please visit [www.aahomecare.org/athome](http://www.aahomecare.org/athome).*