



November 25, 2015

The Honorable John Thune
U.S. Senate
511 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Heidi Heitkamp
U.S. Senate
110 Hart Senate Office Building
Washington, DC 20510

Dear Senators Thune and Heitkamp:

On behalf of the undersigned organizations, we would like to thank you for introducing the DME Access and Stabilization Act, S. 2312. We strongly support this important legislation, which will protect access to essential home medical equipment products for seniors, as well as individuals with significant disabilities and chronic conditions, who reside in rural communities around the country. The legislation provides much-needed relief from proposed Medicare reimbursement cuts affecting home medical equipment suppliers who face unique challenges and increased expense associated with serving patients in less-densely populated areas nationwide.

S. 2312 will require the Centers for Medicare and Medicaid Services to make adjustments to their plans, slated to begin taking effect on January 1, 2016, to apply competitive bidding-derived pricing to areas that are not part of the bidding process. Key components of the legislation will:

- Apply a 30% positive adjustment to rural single payment amounts (SPA) (calculated on a national basis) for suppliers in non-bid, "rural" areas as defined by CMS.
- Apply a 20% positive adjustment to regional single payment amount (RSPA) for suppliers in all other non-bid areas.
- Provide a two year phase-in period for bidding derived pricing for non-bid areas.
- Set the ceiling for future bidding rounds of the competitive bidding program at the unadjusted fee schedule rates in effect on January 1, 2015, instead of CMS' proposal to set a bid ceiling at the previous bid amount rates.
- Instruct CMS to revisit pricing adjustments for non-bid areas that takes into account travel distance, clearing price and other associated costs furnishing this equipment for prices that will be in effect on January 1, 2019.
- Effective January 1, 2020, new Medicaid allowable caps will be applied to the Federal portion of reimbursement that mirror the Medicare rates.

Thank you again for introducing S. 2312. AAHomecare looks forward to working with you on this important legislation.

Sincerely,

Thomas Ryan
President & CEO
American Association for Homecare

John Letizia
Chairman
American Association for Homecare

SUPPORTING ORGANIZATIONS:

Midwest Association for Medical Equipment Services (MAMES)

VGM Group

Alabama Durable Medical Equipment Association (ADMEA)

Arizona Medical Equipment Suppliers Association (AZMESA)

Association for Tennessee Home Oxygen & Medical Equipment Services (ATHOMES)

Big Sky Association of Home Medical Equipment Suppliers (Big Sky AMES)

Colorado Association for Medical Equipment Services (CAMES)

Florida Alliance of Home Care Services (FAHCS)

Florida Association of Medical Equipment Suppliers (FAMES)

Georgia Association of Medical Equipment Suppliers (GAMES)

Great Lakes HME Association

Home Medical Equipment & Services Association of New England (HOMES)

Jersey Association of Medical Equipment Services (JAMES)

Maryland-National Capital Homecare Association (MNCHA)

Michigan Association for Homecare

Nevada Association of Medical Products Suppliers (NAMPS)

New York Medical Equipment Providers Association (NYMEP)

North Carolina Association for Medical Equipment Services (NCAMES)

Ohio Association of Medical Equipment Services (OAMES)

Pacific Association for Medical Equipment Services (PAMES)

Pennsylvania Association of Medical Suppliers (PAMS)

South Carolina Medical Equipment Services Association (SCMESA)

Virginia Association of Durable Medical Equipment Companies (VADMEC)

West Virginia Medical Equipment Suppliers Association (WVMESA)

Wisconsin Association of Medical Equipment Services (WAMES)