



Via email to: <http://www.regulations.gov>

February 28, 2018

Director, Regulation and Policy Management
Department of Veterans Affairs
810 Vermont Avenue NW
Room 1068
Washington, D. C. 20420

RE: Civilian Health and Medical Program of the Department of Veterans Affairs RIN 2900-AP02

Dear Director, Regulation and Policy Management:

The American Association for Homecare (AAHomecare) is pleased to have the opportunity to submit comments to the Department of Veterans Affairs' request for comments on the above captioned proposed rule. The Department of Veterans Affairs is proposing to make adjustments to Civilian Health and Medical Program of the Department of Veterans Affairs' (CHAMPVA') reimbursement for durable medical equipment, prosthetics, orthotics and supplies (DMEPOS).

AAHomecare is the national association representing the interests of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) suppliers. AAHomecare members include a cross section of manufacturers, suppliers and other industry stakeholders that assist, make or furnish DMEPOS items that beneficiaries use in their homes. Our members are proud to be part of the continuum of care that assures that Medicare beneficiaries receive cost effective, safe and reliable home care products and services.

While ensuring consistency among the various payers for the military and their dependents, one of the challenges of modeling after the Medicare program is inheriting the flawed components of this program as they relate to DMEPOS.

AAHomecare would ask that the Department of Veterans Affairs take under consideration our comments that speak to some of the challenges with the competitive bidding program (CBP) that has created the current payment methodologies under which DMEPOS is reimbursed. We encourage you to review the current policies related to the Medicare benefit for Durable Medical Equipment (DME) to evaluate the potential access to care for your membership to ensure they have access to this cost-effective mode of care.

Suppliers and Medicare beneficiaries have seen business disruptions, interruptions in continuity of care, and barriers to access DME items resulting from the inherently flawed CBP. The current Medicare fee schedules in non-competitive bid areas, which are based on single payment amounts (SPAs) from competitive bidding areas (CBAs), are as much as 74% below unadjusted fee schedule rates for the same items. The unprecedented magnitude of these cuts has eroded access to DME for beneficiaries.

A report by Dobson Davanzo & Associates examining suppliers' costs and the adequacy of CB reimbursement bears out the concerns over access to DMEPOS.¹ The authors concluded that prevailing SPAs do not fully cover suppliers' cost of furnishing DMEPOS to beneficiaries. On average, SPAs account for only 88% of suppliers' costs, including their acquisition costs for equipment and supplies, and overhead costs for services they perform to safely furnish DMEPOS to beneficiaries in their homes.²

The report underscores what AAHomecare has told CMS from the start of the CB programs: SPA amounts are not accurate proxies for the cost of furnishing DMEPOS. This is true in large part because of the program's many design flaws and from the "all or nothing" nature of the program.

AAHomecare would be happy to further discuss the challenges with the use of Medicare pricing based on competitive bidding as the Department of Veterans Affairs continues its' evaluation and works toward a final rule.

Sincerely,



Kimberley S Brummett
VP Regulatory Affairs
American Association for Homecare

¹ Analysis of the Cost of Providing Durable Medical Equipment to the Medicare Population
Measuring the Impact of Competitive Bidding, Dobson DaVanzo & Associates, LLC for AAHomecare (2016)

² Id. at 6.

² Ibid.