

February X, 2018

The Honorable Rodney P. Frelinghuysen
Chairman
House Appropriations Committee

The Honorable Nita Lowey
Ranking Member
House Appropriations Committee

The Honorable Tom Cole
Chairman
House Appropriations Subcommittee on Labor, Health and Human Services, Education
and Related Agencies

The Honorable Rosa DeLauro
Ranking Member
House Appropriations Subcommittee on Labor, Health and Human Services, Education
and Related Agencies

Dear Chairman Walden and Chairman Brady:

As you prepare the final fiscal year 2018 appropriations, we urge you to consider the inclusion of H.R. 4229, the Protecting Home Oxygen & Medical Equipment (HOME) Access Act. This legislation currently has 121 bipartisan cosponsors in the House, and this issue continues to have bipartisan support in the Senate.

In recent years, the Centers for Medicare and Medicaid Services (CMS) has made significant policy and regulatory changes that have resulted in reductions in reimbursement for Durable Medical Equipment (DME) for Medicare beneficiaries. On October 31, 2014, CMS released a final rule, which established the methodology for making national price adjustments to the fee-for-service payments of specific DME. On January 1, 2016, the first phase of the two-part reimbursement adjustment -- which applies pricing derived from highly populated Competitive Bidding Areas (CBAs) to all areas of the country without properly taking into account the increased cost of supplying DME items in non-CB areas -- went into effect. On July 1, 2016, the prices were fully phased in, slashing Medicare reimbursement by over 50% on average.

Due to mounting concerns about access to this cost-effective and patient-preferred method of care, especially in non-CBAs or rural America, Congress intervened and included language in the 21st Century Cures Act to extend the reimbursement rates in effect on January 1, 2016 through December 31, 2016. This provided retroactive relief to DME suppliers, but on January 1, 2017, the full reimbursement cut went back into effect. These cuts fail to consider the unique attributes of health care in rural America, which have distinct cost difference from their urban counterparts; and are stripping communities of DME resources. It's estimated that over 40% of traditional DME companies nationwide have either closed or are no longer taking Medicare patients due to these unsustainable payment cuts.

Exacerbating this underlying problem, is the fact that CMS applied a budget neutrality "offset" to the 2017 rural fee schedules for stationary oxygen equipment. This provision was originally passed by Congress in the Balanced Budget Act of 1997, which was years before the Competitive Bidding Program (CBP) was enacted in 2003. This outdated regulation was never intended to apply to rates derived from the CBP to oxygen reimbursements resulting in even more unsustainable rates in rural communities.

From seniors to those with disabilities or chronic conditions, people across the country rely on DME to go about their daily lives -- whether it's simply to walk around without falling or to breathe normally when their lungs can no longer do it on their own. We understand the challenges you face in determining what legislative provisions are ultimately included in any final package, but this equipment cannot save lives if it isn't made available to those who need it most, especially in rural communities where we know barriers to access health care already exist. Therefore, again, we urge you to include H.R. 4229, the Protecting HOME Access Act, in any final FY18 funding bill.

Sincerely,

CC: The Honorable Greg Walden, Chairman, House Energy and Commerce
Committee
The Honorable Kevin Brady, Chairman, House Ways and Means Committee