

Congress of the United States
Washington, DC 20515

September 17, 2013

Mr. Daniel R. Levinson
Inspector General
U.S. Department of Health and Human Services
330 Independence Avenue, SW
Washington, DC 20201

Dear Inspector General Levinson:


We understand that the Office of Inspector General (OIG) plans to investigate licensure issues and specifically whether the Centers for Medicare & Medicaid Services (CMS) violated its own rules by allowing unqualified and ineligible bidders to distort the bid prices for product categories in Round II of the Competitive Bidding Program for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS). We are writing to express strong support for this study and urge you to complete your investigation as soon as possible.


As you know, CMS did not appropriately vet 30 suppliers in Tennessee, which led to contracts being offered and accepted by companies that did not have the required licenses. To correct the situation, CMS pledged to void the 30 of the 98 contracts for suppliers in the four Competitively Bid Areas in Tennessee. Administrator Tavenner reassured Congress that the 30 percent reduction in suppliers would not negatively impact patient care or the quality of services they receive. She said that there was not a need to add any additional suppliers in Tennessee or adjust the Single Payment Amount.


We are very concerned with CMS' apparent mismanagement of the Competitive Bidding Program in Tennessee. After we contacted CMS about this issue, it took the agency months to conclude that there was a licensure problem with bid winners in Tennessee. To address the problem, CMS voided contracts for suppliers who lack the proper licensure without adding capacity to the bid areas or modifying the Single Payment Amount that was developed from the bid process. Contrary to Administrator Tavenner's previous assurance that the remaining contracted suppliers were capable of caring for all of Tennessee's Medicare patients affected by the program, CMS began offering additional contracts across multiple product categories less than two months after the implementation of the program, all at the original published Single Payment Amounts. These actions warrant thorough investigation.

To protect Medicare beneficiaries in Tennessee, we urge you to examine important aspects of the Round II Competitive Bidding process and report your findings to Congress. We look forward to your reply.


Sincerely,


Marsha Blackburn
Member of Congress


Phil Roe, MD
Member of Congress



Steve Cohen
Member of Congress




Jim Cooper
Member of Congress



Chuck Fleischmann
Member of Congress



Diane Black
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Scott DesJarlais, MD
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