

May 25, 2016

The Honorable Paul D. Ryan
Speaker
U.S. House of Representatives
U.S. Capitol H-232
Washington, DC 20510

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
U.S. Capitol H-204
Washington, DC 20510

The Honorable Mitch McConnell
Senate Majority Leader
United States Senate
U.S. Capitol S-230
Washington, DC 20510

The Honorable Harry Reid
Senate Minority Leader
United States Senate
U.S. Capitol S-221
Washington, DC 20510

Dear Speaker Ryan, Minority Leader Pelosi, Senate Majority Leader McConnell, and Senate Minority Leader Reid:

The undersigned organizations write in support of *Patient Access to Durable Medical Equipment Act of 2016* (S.2736 and H.R. 5210), bipartisan legislation that would ensure continued patient access to vital health care technology. Both legislative proposals would delay the full phase-in of competitive bidding rates to areas of the country that have not participated in the competitive bidding program, and would provide other needed reforms to the program.

Currently, 100 of the largest metropolitan statistical areas are participating in the competitive bidding program for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS). Suppliers participating in the program were awarded contracts based on their ability to serve Medicare beneficiaries in a competitive bidding area (CBA). Because these CBAs are densely populated and home to 58 percent of all Medicare beneficiaries in the country, many of the participating suppliers offset significant payment cuts for supplying DMEPOS with the expectation of larger volume and market share.

To date, there has been little independent analysis of the competitive bidding program to evaluate whether the program has restricted the types of products available for patients or compromised physician decisions to prescribe specific products that are determined to be most appropriate for the patient's medical and physical condition. Given the seriousness of the medical conditions of patients needing these products, restricting access to products determined to be essential for their unique medical conditions could lead to major adverse health events for patients and increased utilization and spending for Medicare.

In spite of this, the Centers for Medicare and Medicaid Services (CMS) has implemented an aggressive timeline to phase-in prices for DMEPOS established in competitively bid areas to those areas that have not been subject to competitive bidding, mostly in rural areas. The first phase of implementing these new payment rates took effect January 1, 2016, with final phase-in by July 1, 2016. **Six months is not enough time to monitor disruption in Medicare**

beneficiaries' access to the DME items they need, and to evaluate what impact major reductions in payment have on their access to life-sustaining equipment and services.

For non-CBAs where adjusted prices are being applied, CMS is using payment information based on bidding that did not take place in those areas and where costs of providing products to Medicare beneficiaries may be very different and not representative of non-CBAs. Suppliers in non-CBAs where adjusted prices are being applied may not experience a larger volume of Medicare-related business and, as a result, may not be able to afford products at the prices set by a completely different set of cost and price dynamics. In addition, beneficiary access to high quality products may be compromised at the prices set for non-CBAs through bidding elsewhere.

Legislation in the House and Senate (S.2736 and H.R. 5210) would preserve patient access to needed DME by delaying these reimbursement cuts until Oct. 1, 2017. This delay will provide more time for Congress to evaluate the effects of the first rate reduction from January 1, 2016 on beneficiary access. These legislative proposals would also require CMS to take additional steps to help ensure beneficiaries' continued access to quality supplies and services, including consideration of additional criteria for payment adjustment, and needed modifications to the bid ceiling.

Durable medical equipment is vital to maintaining and improving the health and quality of life for millions of Medicare patients needing these products in their homes. Losing access to these crucial technologies, as well as access to high quality and physician prescribed products, due to severe cuts to DME payment rates will compromise patient health. **We urge you to take up and pass legislation that will protect patient access to needed durable medical equipment.**

Sincerely,

National Associations

Advanced Medical Technology Association

American Association for Homecare (AAHomecare)

Council for Quality Respiratory Care

Health Industry Distributors Association

The MED Group

National Association for the Support of Long Term Care

National Coalition for Assistive and Rehab Technology (NCART)

National Home Infusion Association

The VGM Group

State Associations

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 Medical Equipment Services

California Association of Medical Product Suppliers

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 Home Medical Services Association

Healthcare Association of Hawaii

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

Jersey Association of Medical Equipment Suppliers (JAMES)

Kentucky Medical Equipment Suppliers Association (KMESA)

Michigan Association for Home Care

Midwest Association for Medical Equipment Services (MAMES)

New York Medical Equipment Providers Association (NYMEP)

Nevada Association of Medical Products Suppliers (NAMPS)

North Carolina Association of Medical Equipment Services (NCAMES)

Pennsylvania Association of Medical Suppliers (PAMS)

South Carolina Medical Equipment Services Association (SCMESA)

Virginia Association for Durable Medical Equipment Companies (VADMEC)

West Virginia Medical Equipment Suppliers Association (WVMESA)

Wisconsin Association of Medical Equipment Services (WAMES)