

CHRISTOPHER S. BOND  
MISSOURI

# United States Senate

WASHINGTON, DC 20510-2503

December 6, 2002

Ms. Sara Kirchhoff  
Route 1, Box 257  
Marshall, Missouri 65340

Dear Ms. Kirchhoff,

Thank you for your recent letter in which you expressed concern over a national Medicare competitive bidding initiative for durable medical equipment. I appreciate your views on this very important issue.

I agree with you that initiating a national Medicare competitive bidding program for durable medical equipment is premature and raises both quality and access concerns for essential medical equipment ranging from the simple to the highly competitive devices used by the chronically ill.

It is unwise to rush to implement a national program in light of the fact that Centers for Medicare and Medicaid Services (CMS) has instituted only two of the five currently authorized demonstration projects. CMS' own report on those projects concluded that it is "premature" to determine what the long-term impact of competitive bidding will be.

I am also concerned with the consequences of implementation and the effects it will have on small businesses. Not only could implementing this program reduce competition and hurt many small businesses, but it could also reduce seniors' choice of suppliers and care givers. Many seniors have become accustomed to their local supplier. Implementing a competitive bidding program could jeopardize this relationship forcing Medicare beneficiaries to obtain their medical equipment from a nationwide supplier chosen by the government.

In addition, a national Medicare competitive bidding program could also limit access to new and improved technology. Suppliers who win bids based on the costs of current medical technology and services may not be willing to adopt new technologies that improve clinical outcomes or quality of life but raise up-front costs. Suppliers may turn to cheaper products, further reducing manufacture's incentives w develop new technologies.

My strong reservations about implementing a nationwide Medicare competitive bidding for durable medical equipment continue at this time. I would prefer to see CMS fully implement the final three of five authorized demonstrations to test the theory that competitive bidding **will** be effective on a national basis in terms of savings and quality of care.

December 6, 2002

Page 2

Again, thank you for your thoughts. Please contact my office if I may be of any further assistance.

Sincerely,

A handwritten signature in black ink that reads "Chris Bond". The signature is written in a cursive, slightly slanted style.

Christopher S. Bond  
United States Senator

CSB:jj