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## United States Senate

CHARLES E. GRASSLEY

WASHINGTON, DC 20510-1501

July 17, 2003

Dear

Thank you for taking the time to contact me regarding Medicare. It's always good to hear from people back home and I apologize for the delay in my response.

I appreciate knowing of your concerns regarding competitive bidding in the Medicare program. For many years, Members of Congress from both sides of the aisle have advanced proposals that would inject competition into the Medicare program.

One area that has long been a target of competitive reform is durable medical equipment (DME). Current payment policy for DME is set in Washington; coverage policy is set at the regional level by private insurance companies that administer Medicare's benefits. In general, the government sets the price, and little competition exists between companies that provide such equipment.

You will be happy to know, however, that S. 1, the Senate passed Prescription Drug and Medicare Improvement Act of 2003, includes a provision that is an alternative to competitive bidding for DME. This alternative freezes updates in DME for seven years. I believe that this approach is more stable and secure for Medicare patients compared to the provisions passed by the House of Representatives.

Moreover, I believe that any competitive approach to paying for DME should ensure that small and rural providers and suppliers can continue to stay in business, and that seniors who live in frontier and rural communities can continue to access the items and services they rely on today.

CHAIRMAN,  
FINANCE

*Committee Assignments:*

BUDGET  
JUDICIARY  
AGRICULTURE

CHAIRMAN  
INTERNATIONAL NARCOTICS  
CONTROL CAUCUS

Please know that I will keep the concerns of all Iowans in mind as we enter into negotiations to iron out the differences between the House and Senate bills

Again, thank you for contacting me. I appreciate hearing your views and urge you to keep in touch.

Sincerely,

A handwritten signature in black ink that reads "Chuck". The letters are cursive and fluid, with a prominent "C" at the beginning.

Charles E. Grassley  
United States Senator

CEG/mz