



May 20, 2015

The Honorable Fred Upton
Chairman
House Energy & Commerce Committee

The Honorable Frank Pallone
Ranking Member
House Energy & Commerce Committee

Dear Chairman Upton and Ranking Member Pallone,

I am writing in follow up to my letter from May 19 regarding the 21st Century Cures Act to express our concern and opposition to a proposal that we understand is under consideration that would apply Medicare Competitive Bidding rates for Durable Medical Equipment (DME) to the Medicaid program. While we continue to support the strong policy reforms included in the underlying bill, and appreciate the work of your staff in this process, including this policy change as an offset could be detrimental to the health and well-being of Medicare beneficiaries.

As you know, the Medicare Modernization Act of 2003 mandated a Medicare competitive bidding program for DMEPOS (durable medical equipment, prosthetics, orthotics, and supplies). The program has been phased in, with payments for major categories of DMEPOS now determined through a bidding process and in effect in 100 areas of the country. The next phase of the program will require Medicare to extend the bidding program or competitive bidding pricing for included items to areas that are currently not part of the program

We have long maintained that the competitive bidding program has advanced without rigorous evaluation and a clear understanding of its impact on beneficiaries' access to the products that they and their physicians have determined are necessary for their conditions. Furthermore, while CMS has established an ombudsman office to resolve specific problems beneficiaries may encounter with the program, it has no plans for rigorous evaluation or monitoring of the impact of the program on patient care outcomes.

Many of your colleagues share this concern, and in 2014, over 130 Members of the House of Representatives sent a letter to the Office of the Inspector General supporting a rigorous review of the program's impact on seniors' health. OIG has signaled that its review will not include a number of key areas which we think are essential for evaluation before Congress mandates that States use under their Medicaid programs payment rates no higher than Medicare's.



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We recommend that CMS take steps beyond those currently in place to actively monitor compliance with program rules and to evaluate impact of the Competitive Bidding Program on beneficiary health status and health outcomes as a result of the program.

In light of the need for better information and data on the impact of the Competitive Bidding program on beneficiary access to products their physicians prefer for their individual conditions and the impact on their health care outcomes, we do not believe this program should be expanded to cover Medicaid where low-income and disabled patients and families may also be vulnerable.

Given these concerns and demands for a more rigorous evaluation of competitive bidding program, we urge you to reconsider this change in policy, which could have a detrimental impact on Medicare beneficiary care and care outcomes.

Sincerely,

Stephen J. Ubl
President and CEO
AdvaMed

Cc: Members of the House Energy & Commerce Committee