



December 8, 2015

The Honorable Tom Price
100 Cannon House Office Building
United States House of Representatives
Washington, D.C. 20515

Dear Congressman Price:

On behalf of the National Federation of Independent Business (NFIB), the nation's leading small business organization, I am writing in support of H.R. 4185, *the Protecting Access through Competitive-pricing Transition (PACT) Act*. This bill would provide necessary relief from the problematic Medicare competitive bidding program for durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS).

In 2003, the Medicare Modernization Act required that the Centers for Medicare & Medicaid Services (CMS) implement a competitive bidding process to contract with suppliers and other providers for certain types of equipment and supplies. Congress, with the support of NFIB, delayed the expansion of the process because of fundamental problems with the design of the program. However, this delay has not stopped CMS from re-launching the process, and the new healthcare law accelerates subsequent rounds of competitive bidding.

This flawed program forces small providers to submit unsustainable bids in order to compete for contracts and restricts access to and choice of DMEPOS items and services. According to CMS, approximately 85 percent of registered DMEPOS suppliers are small businesses. The current competitive bidding program threatens the viability of these businesses.

Small businesses provide specialized services to beneficiaries and their presence is critical to ensuring that healthcare remains accessible in their communities. Small suppliers typically know their customers personally, are familiar with their unique needs, and often go out of their way to assure that those needs are being addressed.

This legislation to end implementation of the DMEPOS program is critical to providing the certainty necessary for America's small businesses to continue to meet the needs of the communities who depend on their services. Replacing the program would allow small businesses to fairly compete in pricing auctions, while maintaining savings for seniors and taxpayers. NFIB commends you for introducing H.R. 4185 and we look forward to working with you.

Sincerely,

Amanda Austin
Vice President
Public Policy