



2020 HME Policy Concerns

Protecting Home Oxygen & Medical Equipment Act, H.R.2771

Key DMEPOS Issues

The competitive bidding program has continued to push reimbursement rates to unsustainable levels, making it difficult for suppliers to provide quality care to their patients. This program has resulted in providers forced to maintain care levels with half of the resources. These cuts have made it especially difficult on rural providers and have threatened access to care for patients in rural America. VGM and the HME Industry is actively working with representatives of CMS and HHS to convey the urgency for reforms.

Legislative Initiatives for the Industry

Over the past few years, the grassroots coalition of providers and patients have made their voices heard on Capitol Hill. This has resulted in strong, bipartisan support from members of Congress across the country.

H.R. 2771 - Protecting Home Oxygen & Medical Equipment Act

Introduced by Rep. Cathy McMorris Rodgers (R-Wash.) and Rep. Dave Loebsack (D-Iowa), H.R. 2771 allows for increased reimbursement rates for durable medical equipment and oxygen equipment and supplies in areas of the country where reimbursement has been slashed up to 50% over the years.

Past competitive bidding programs have driven reimbursement rates to unsustainable levels, making it difficult for suppliers to provide quality care to their patients. This program has resulted in providers forced to maintain care levels with half of the resources. These cuts have made it especially difficult on rural providers and have threatened access to care for patients in rural America.

H.R. 2771 will also combat the oxygen “double dip” by CMS to reduce oxygen reimbursement rates.

In 2017, CMS incorrectly applied a budget neutral “offset” to 2017 rural fee schedules for oxygen concentrators. This led to an improper reduction in reimbursement for HCPCS E1390 by an additional 11 percent on average. This forced reimbursement rates in rural areas below the average regional competitive bidding special payment amounts (SPA). The misapplication of this language, which comes from The Omnibus Budget Reconciliation Act of 1987, must be corrected quickly for the existing regulations to be followed. This “double dip” has resulted in providers reducing service in non-CBA areas for oxygen concentrators.