



Supporting Quality Health Care Services at Home

June 12, 2008

The Honorable Charles B. Rangel
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Fortney Pete Stark
Chairman
House Subcommittee on Health
1135 Longworth House Office Building
Washington, DC 20515

The Honorable Jim McCrery
Ranking Member
House Committee on Ways and Means
1139 Longworth House Office Building
Washington, DC 20515

The Honorable Dave Camp
Ranking Member
House Subcommittee on Health
1139 Longworth House Office Building
Washington, DC 20515

Dear Chairman Rangel, Chairman Stark, Ranking Member McCrery and Ranking Member Camp:

The American Association for Homecare (AAHomecare) commends the Committee on Ways and Means for undertaking the effort to craft bipartisan legislation that addresses the Medicare competitive bidding program for durable medical equipment, prosthetics, orthotics and supplies (DMEPOS). We believe the legislation being proposed will make critical improvements in the program that will help ensure Medicare beneficiaries continue to receive high quality homecare items and services. This legislation will provide CMS with an opportunity of nearly two years to reassess the fundamentals of the program and to re-launch a bidding structure and implementing framework that corrects many of the current deficiencies. AAHomecare supports the Committee's proposal unveiled on June 11 with the understanding that the proposed reductions are the only payment adjustments that will be leveled on the home medical equipment industry in legislation this year.

From the outset of our discussions with Congress, AAHomecare has called for an across-the-board reduction in DME rates in order to achieve the offset necessary to delay the bidding program beyond its start date of July 1, 2008. The Committee's proposal calls for a more targeted cut to only those items subject to competitive bidding in Round One. The result is a narrower but deeper cut to DME rates than the industry anticipated. We continue to urge a broader, across-the-board cut which presumably would have the effect of reducing payment rates by a lesser amount in 2009.

AAHomecare will work to build an immediate industry-wide consensus for the Ways and Means proposal. Because the cut is greater than some in our industry anticipated, there may not be unanimity within our industry but we expect the majority of suppliers that provide home medical equipment and supplies to ultimately indicate their support.

June 12, 2008

We want to continue to work with the Committee as the legislation is refined so it accomplishes all of its important objectives. Among the key issues remaining unresolved for home medical equipment providers is the current Medicare requirement that calls for Medicare beneficiaries to take ownership of their oxygen equipment after 36 months. We hope Congress will repeal that requirement this year.

Finally, we reiterate our concern that different sectors of the durable medical equipment field may be subjected to significant payment reductions through multiple legislative initiatives this year. The association will only be able to support this current legislation if there are no additional payment cuts to the home medical equipment sector beyond those required to achieve the proposed delay in the bidding program.

Again, we thank the Committee for its leadership and hard work. We look forward to continuing to work with Congress to help achieve enactment of this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Landauer". The signature is fluid and cursive, written in a professional style.

Alan Landauer
Chairman
American Association for Homecare