



May 19, 2015

The Honorable Kevin Brady
U.S. House of Representatives
Washington, DC 20515

The Honorable Jim McDermott
U.S. House of Representatives
Washington, DC 20515

Re: "Hearing on Improving Competition in Medicare: Removing Moratoria and Expanding Access"

Dear Chairman Brady and Ranking Member McDermott:

On behalf of the Medicare Rights Center (Medicare Rights), I am writing to submit a statement for the hearing record expressing support for the durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) Competitive Bidding Program. Medicare Rights is a national, nonprofit organization that works to ensure access to affordable health care for older adults and people with disabilities through counseling and advocacy, educational programs, and public policy initiatives. We provide services and resources to over 1.5 million beneficiaries, family caregivers, and professionals annually.

We believe the DMEPOS bidding program represents an important advancement in how Medicare pays for medical equipment and services. The program serves a triple aim, contributing to lower costs for older adults and people with disabilities, the right prices for Medicare, and a better deal for American taxpayers. According to the U.S. Department of Health and Human Services, "The program saved more than \$580 million for beneficiaries and taxpayers in its first two years of operation, and it is projected to save the Medicare Part B Trust Fund \$25.8 billion and beneficiaries \$17.2 billion over ten years."¹

Through the bidding program, medical equipment suppliers compete for Medicare's business on the basis of quality and price, submitting bids to serve beneficiaries in a specified region. Some claim the bidding program creates undue barriers to accessing needed medical equipment and supplies, but available evidence reflects the contrary. An initial report by the Government Accountability Office (GAO) determined beneficiary access and satisfaction were not affected by the bidding program in 2011, though careful monitoring was needed as the program expanded.² Similar findings were reported in 2012 through a subsequent GAO analysis.³

¹ GAO, "Bidding Results from CMS's Durable Medical Equipment Competitive Bidding Program," (November 2014), available at: <http://www.gao.gov/assets/670/666806.pdf>

² GAO, "Review of the First Year of CMS's Durable Medical Equipment Competitive Bidding Program's Round 1 Rebid," (May 2012), available at: <http://www.gao.gov/assets/600/590712.pdf>

³ GAO, "Second Year Update for CMS's Durable Medical Equipment Competitive Bidding Program Round 1 Rebid," (March 2014), available at: <http://www.gao.gov/assets/670/661474.pdf>

Trends heard on our national helpline are reflective of these findings. Our most common calls involve questions about coverage rules and concerns about denials of coverage. None of these inquiries are unique to the DMEPOS bidding program. We hear the same questions and concerns from those with Traditional Medicare in bidding areas, those in non-bidding areas, and among Medicare Advantage enrollees. We believe these trends reflect a general need for enhanced oversight of suppliers and education of beneficiaries across all Medicare coverage types.

While additional oversight may be warranted, according to GAO, the Centers for Medicare & Medicaid Services already utilize many tools to monitor beneficiary access through the DMEPOS bidding program. These tools include tracking 1-800-MEDICARE inquiries, analyzing national claims history, carrying out beneficiary satisfaction surveys, monitoring items furnished by suppliers, and conducting secret shopper calls. Another important beneficiary protection, unique to the DMEPOS bidding program, includes a dedicated ombudsman office, serving both Medicare beneficiaries and suppliers with bidding-related concerns.

In sum, we continue to support the DMEPOS bidding program, which is credited with creating sizable savings for the Medicare program, for beneficiaries, and for taxpayers—without compromising access to needed care. Rigorous oversight of the program, most notably of suppliers, should continue and be strengthened as necessary. Thank for the opportunity to submit a statement for the hearing record.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Baker". The signature is fluid and cursive, with a large initial "J" and "B".

Joe Baker
President
Medicare Rights Center