

Competitive Bidding: What It May Mean for You

In 2003, Congress passed the Medicare Modernization Act (the same bill that included Prescription Drug Coverage). Embedded in the bill was a provision called Competitive Bidding for Durable Medical Equipment, Prosthetics, Orthotics & Supplies (DMEPOS), such as wheelchairs, hospital beds, oxygen, walkers, and CPAP and bilevel units.

The purpose of the Act was to save Medicare dollars. In the case of DMEPOS, which accounts for only 2% of the entire Medicare budget, the savings goal is \$1 billion.

Ten large metropolitan statistical areas (MSAs) were chosen as competitive bidding areas for Round 1. Suppliers who do business in a competitive bidding area submitted bids to supply products and services. The lowest bidders were awarded a contract to sell to Medicare recipients. They are known as “contract suppliers” and cannot charge Medicare more than the single payment amount set by Medicare based on the bids received.

Non-contract suppliers can become “grandfathered” suppliers and continue to rent to their customers, if they accept the contracted payment, which is lower than their previous payment.

In fact, the average cut in reimbursement for CPAP and bilevel units is 26% and effectively removes the professional respiratory care component of treatment. The cuts seriously endanger the ability of the home health-care companies in delivering comprehensive and quality respiratory care to their clients. Home care companies need to do more than leave a bilevel unit, a mask and an instruction book on the doorstep, and should be compensated for the service.

Round 1 is scheduled to go into effect on July 1, 2008. Round 2 includes 70 more MSAs and goes into effect July 1, 2009.

There have been many procedural and operational flaws with the competitive bidding process, and the American Association for Homecare is lobbying Congress to delay implementation of Round 1 until these problems can be addressed and corrected. For more information, go to www.aahomecare.org and www.cms.hhs.gov/CompetitiveAcqforDMEPOS.

Write your Congressperson today to urge him or her to sign H.R. 2231, Medicare Access to Complex Rehabilitation and Assistive Technology Act of 2007. This bill exempts complex rehabilitation products and assistive technology products from competitive bidding. (<http://thomas.loc.gov>) ▲

Pompe Disease Treatment

The enzyme-replacement treatment for Pompe disease is available in the U.S. and Europe. Currently, Trevor, a 17-year-old Canadian with Pompe disease, is trying to convince the Canadian government to reimburse for this treatment.

To sign an online petition to support Trevor and other Canadians with Pompe disease:
<http://petitions.takingitglobal.org/TrevorPare>

See page 5 for update on Pompe Disease Treatment.