



**North Carolina Association for Medical Equipment Services  
PRESS RELEASE**

**NCAMES Continues to Seek Support for Bill to Eliminate  
Medicare Bidding Program Coming to Charlotte**

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***H.R. 3790 Would Reduce Medicare Spending, Preserve Access to Quality Care, and Save Thousands of Small Businesses; Flawed Bid Process Began October 21 in Charlotte, N.C.***

CARY, NC, October 27, 2009 ---- The North Carolina Association for Medical Equipment Services and the American Association for Homecare continue to praise a bipartisan bill in Congress, H.R. 3790, to eliminate the deeply flawed “competitive” bidding program for durable medical equipment and services in Medicare. The bidding process for this controversial bidding program began October 21 in Charlotte and eight other metropolitan areas across the U.S.

H.R. 3790 has bipartisan support from over 40 cosponsors in the House of Representatives including original co-sponsor, North Carolina Congressman Heath Shuler (D-N.C.), followed by Congressmen Butterfield, McIntyre, Kissell, and Congresswoman Myrick whose district is in Round One. The introduction of the legislation comes just days before the start-up of the bidding process for the bid program for home medical equipment. The Medicare bidding process will begin on October 21 in nine metropolitan statistical areas (MSAs) across the U.S. including Charlotte. The bid prices and bid winners would be selected in 2010 and new prices would become effective January 1, 2011. Another round of bidding would begin after that in 100 MSAs across the U.S.

“The term ‘competitive bidding’ really means “restrictive contracting” and essentially destroys about 90 percent of small businesses, removes healthy competition, limits patient choice, and limits patient access to care,” said Beth Bowen, executive director of the North Carolina Association of Medical Equipment Services. “At the end of the day, that strategy will prove more costly than the alleged savings of the bid program. Congress and administrators at Medicare must understand that the durable medical equipment sector *saves* money by providing quality care in the home, rather than in costly institutions. Homecare Works! Cost Effective, Better Outcomes, and Patient Preferred.”

Categories subject to the bid program include medical oxygen, which is a highly regulated prescription drug, complex rehabilitative power wheelchairs, enteral nutrients (used in tube feeding), and hospital beds, among other categories. As the bidding program rolled out in 2008, it was followed by disastrous results for home medical equipment patients and for providers (mostly small businesses) who were excluded from Medicare as a result of the first round of bidding. Many problems occurred such as: Disruption to patient services, Greater costs to Medicare due to longer hospital stays, Non-local providers, Inexperienced/unlicensed providers and Desperation bidding. Congress delayed the bid program when it enacted the Medicare Improvements for Patients and Providers Act of 2008, in hopes that the federal Centers for Medicare and Medicaid Services would substantially improve and reform the program. However, the fundamental problems still remain in the bid program. The congressional action last year to delay the bidding program also required that the home medical equipment sector accept a 9.5 percent Medicare reimbursement cut effective January 1, 2009 to pay for the savings the bid program would have reaped.

Home medical equipment and care is already the most cost-effective, slowest-growing portion of Medicare spending, increasing only 0.75 percent per year according to the most recent National Health Expenditures data. That compares to more than 6 percent annual growth for Medicare spending overall. Home medical equipment represents only 1.6 percent of the Medicare budget.

*NCAMES represents nearly 275 home medical equipment (HME) providers from across the state whose businesses are committed to seeing that members have the educational tools to provide safe, affordable, comfortable, and therapeutic home medical equipment. It is through HME providers' efforts that patients may recuperate from illness in the comfort and privacy of their own homes at much lower costs than institutional care. NCAMES was instrumental in passing the nation's first HME Licensure law which took effect in 1995.*