



Preserving access to quality care
PRESS RELEASE

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Restrictive Bidding Restricts Patient Access and Competition

Related information on the restrictive Federal DMEPOS bidding process

(Raleigh, N.C.) The Federal government's restrictive bidding program implemented by the Centers for Medicare and Medicaid Services— a potential precursor to increased Federal presence in health care management — denies patient access. Originally implemented in 2008, this program proved so expensive and disruptive to patient services that Congress passed the Medicare Improvements for Patients and Providers Act, temporarily halting the restrictive bidding process. Congress asked the Centers for Medicare and Medicaid Services in Washington, D.C. — the same Federal agency which administers Medicare, Medicaid, and the Children's Health Insurance Program — to reform the program in the midst of a sweeping overhaul of national healthcare.

On October 21, 2009, the restrictive bidding process was restarted in nine metropolitan areas across the U.S., including Charlotte, N.C. without any public comment or addressing fundamental problems in the program leading to the proliferation of inexperienced, unlicensed non-local vendors serving seniors and patients in need; requiring fee cuts and desperation bidding on behalf of qualified, trusted HME providers in our state; and reducing options for patient access to quality care.

HME providers across North Carolina are now bracing for lost customers, revenue, and potentially for shutting their doors due to this program based on its effects on Charlotte-area business so far:

- Of the 279 Medicare suppliers for the covered product categories, at least 64% of local suppliers were eliminated from participation.
- There were 174,319 Medicare beneficiaries in greater Charlotte who could be impacted by competitive bidding.
- With the 64% reduction in Charlotte-area suppliers who could participate in Medicare, a corresponding 179% increase in the number of beneficiaries per eligible supplier will occur, thus creating serious access-to-care issues for patients and referral agents.
- An estimated 31,400 Charlotte-area Medicare beneficiaries who require home oxygen therapy will be impacted. This is the third highest number of beneficiaries of the initial 10 markets.

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- Only 11 suppliers were selected to provide oxygen to this area -- the lowest number of any of the Phase 1 markets.
- Approximately 19,600 Medicare patients who need tube feeding to maintain their nutrition status could be forced to switch away from their current supplier to one of the 13 winning suppliers. This ratio would greatly overwhelm some winning suppliers and limit access-to-care.
- Long-standing Charlotte-area providers who serve large numbers of Medicare beneficiaries were shut out of the winning supplier pool based solely on speculative bid prices submitted by out-of-town or speculative suppliers.

A truly bi-partisan bill in Congress currently supported by 8 out of 13 members of the N.C. Congressional delegation, H.R. 3790 proactively corrects flaws in Federal government's restrictive bidding program implemented in 2008 limiting bidding for Medicare-related services and medical equipment. Rather than Federalizing the home medical equipment industry and reducing patient choice, H.R. 3790 takes a practical approach to ensuring patient access to quality providers while saving taxpayers money. The bill reduces Medicare reimbursements to home medical equipment providers while allowing qualified, licensed home medical providers in North Carolina and across the country to compete on a level playing field with unlicensed, unproven vendors, providing our seniors and patients in need with access to the HME providers they know and trust.

More information is available online at www.ncames.org

ABOUT NCAMES

With close to 300 member companies and growing, the North Carolina Association for Medical Equipment Services (NCAMES) is the statewide leader in preserving access to safe, affordable, and therapeutic home medical equipment. We provide advocacy and education to home medical equipment (HME) providers statewide dedicated to helping North Carolina's growing senior population and patients of all ages gain more mobility and experience a high quality of life in the comfort and privacy of their own homes. NCAMES was instrumental in passing the nation's first HME licensure law which has been working to ensure quality home health care since 1995, and fully supports pending legislation H.R. 3790 to continue HME access for patients in need. For more information, visit www.ncames.org or call (919)-387-1221.

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