

NAMDRC



## PHYSICIAN ADVOCACY FOR EXCELLENCE IN THE DELIVERY OF PULMONARY, CRITICAL CARE AND SLEEP MEDICINE

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June 13, 2016

The Honorable John Thune  
United States Senate  
511 Dirksen Senate Office Bldg.  
Washington, DC 20510

The Honorable Heidi Heitkamp  
United States Senate  
110 Hart Senate Office Bldg.  
Washington, DC 20510

Dear Senator Thune & Senator Heitkamp:

NAMDRC, the National Association for Medical Direction of Respiratory Care, is contacting you to express its support for S.2736, The Patient Access to Durable Medical Equipment Act. Since NAMDRC was established in 1978, our mission has been "to improve access to quality care for patients with respiratory disease by removing regulatory and legislative barriers to appropriate treatment." We have serious concerns that further action by the Centers for Medicare and Medicaid Services (CMS) on competitive bidding will be detrimental to a range of pulmonary related patients, particularly those who rely on supplementary oxygen and certain ventilators for treatment of a range of pulmonary diseases.

First and foremost, CMS continually refers to its own reviews that indicate no notable impact of competitive bidding on these patient populations. We emphasize three critical observations for your consideration:

- Upon initiation of competitive bidding, we strongly urged CMS to take detailed "snapshot" of the current landscape, including access to the full range of oxygen systems available, PRIOR to competitive bidding so that the agency could assess whether beneficiary access to care was negatively affected. In fact, the agency contacted NAMDRC to review a survey instrument it planned to use for such purposes, and all of our recommendations were rejected. We have virtually no confidence in CMS's ability to discern whether competitive bidding has had a negative impact on beneficiary access to care. In fact, the

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NAMDRC's primary mission is to improve access to quality care for patients with respiratory disease by removing regulatory and legislative barriers to appropriate treatment.

40th NAMDRC Annual Meeting and Educational Conference - March 23 - 25, 2017  
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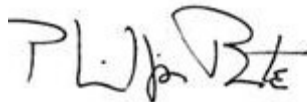


evidence seems to suggest the contrary. All one has to do is track usage of liquid oxygen for the three years prior to competitive bidding with usage today.

- Secondly, having watched the development of the competitive bidding program carefully, we believe it is fair to say that the savings accrued to date far surpass the savings estimated by CBO more than a decade ago. In other words, one can argue from a simplistic fiscal perspective that all the anticipated savings have been achieved, and then some, which raises the question of why the agency would continue a program that runs a notable risk to Medicare beneficiaries in terms of risk of access.
- We readily acknowledge that payment rates under competitive bidding are not established by CMS but are formulated under a complicated bidding process where bidders are not legally bound to accept their own bids if they are winners. This has the effect of distorting payment amounts, a flaw acknowledged by CMS.

We believe this legislation is a reasonable approach to address a complex set of issues, particularly given the lack of evidence that competitive bidding has not negatively affected beneficiary access to care. As physicians providing pulmonary care to some of the most vulnerable Medicare patients, NAMDCRC supports this bill and asks the committee to move expeditiously to pass it. Thank you for introducing this legislation.

Sincerely,



Phillip Porte  
Executive Director

Cc: The Honorable Orrin Hatch  
The Honorable Ron Wyden