

(Washington, DC) — Today, members of the House and the Senate sent bipartisan letters to the Center for Medicare and Medicaid Services (CMS) asking it to release data on how its new Competitive Bidding Program will impact thousands of small durable medical equipment (DME) suppliers. Led by U.S. Congressman Jason Altmire (PA-04), the House letter had 119 co-signers, including House Minority Leader John Boehner (OH-08). The Senate's letter, led by Senators Sherrod Brown (D-OH) and George Voinovich (R-OH), had 17 co-signers.

This month, CMS will award its first round of competitive bidding contracts in ten metropolitan statistical areas -- including Pittsburgh -- based on a supplier's ability to cut prices. Because this criteria favors large national firms, thousands of small, local suppliers will not receive contracts and will lose their ability to sell to Medicare patients, a population that often accounts for the majority of their business. This could force thousands of small suppliers to close, thus jeopardizing patients' ability to receive quality, personalized service close to home. CMS estimates that approximately 85 percent of registered suppliers qualify as small businesses.

**“Although CMS and the Small Business Administration raised special considerations for small suppliers during the rulemaking process, we continue to believe that these steps will not guarantee adequate participation for small businesses,”** the House letter said. **“This will result in a number of small medical device providers going out of business, severely impacting patient access to necessary equipment and quality care.”**

The Senate letter also emphasized that reducing the number of small suppliers could actually increase, rather than decrease, Medicare costs. That's because small suppliers, whose customers are also their neighbors, have a personal stake in ensuring that patients receive the proper equipment and appropriate service.

**“Small suppliers pay close attention to local, specialized service as a common-sense means of reducing medical errors, equipment-related injuries, and returned equipment. This in turn reduces Medicare costs,”** the Senate letter said.

In addition to asking for key economic data on the competitive bidding program's impact, the House letter also expressed concern about CMS's plan to initiate the second round of contract

awards -- which will take place in 70 areas across the nation in 2009 – before the first round has been fully implemented and its results can be properly evaluated.