

Congress of the United States
Washington, DC 20515

Dear Colleague,

In recent years, the Centers for Medicare and Medicaid Services (CMS) has made significant policy and regulatory changes that have resulted in reductions in reimbursement for Durable Medical Equipment (DME) for Medicare beneficiaries. On October 31, 2014, [CMS released a final rule](#), which established the methodology for making national price adjustments to the fee-for-service payments of specific DME. On January 1, 2016, the first phase of the two-part reimbursement adjustment -- which applies pricing derived from highly populated Competitive Bidding Areas (CBAs) to all areas of the country without properly taking into account the increased cost of supplying DME items in [non-CB areas](#) -- went into effect. On July 1, 2016, the prices were fully phased in, slashing Medicare reimbursement by over 50% on average.


Due to mounting concerns about [access](#) to this cost-effective and patient-preferred method of care, especially in non-CBAs or rural America, Congress intervened and included language in the 21st Century Cures Act to extend the reimbursement rates in effect on January 1, 2016 through December 31, 2016. This provided retroactive relief to DME suppliers, but on January 1, 2017, the full reimbursement cut went back into effect. These cuts fail to consider the unique attributes of health care in rural America, which have distinct cost difference from their urban counterparts; and are stripping communities of DME resources. It's estimated that [over 40%](#) of traditional DME companies nationwide have either closed or are no longer taking Medicare patients due to these unsustainable payment cuts.

Exacerbating this underlying problem, is the fact that [CMS applied a budget neutrality "offset"](#) to the 2017 rural fee schedules for stationary oxygen equipment. This provision was originally passed by Congress in the Balanced Budget Act of 1997, which was years before the Competitive Bidding Program (CBP) was enacted in 2003. This outdated regulation was never intended to apply to rates derived from the CBP to oxygen reimbursements resulting in even more unsustainable rates in rural communities.

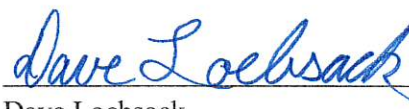
From seniors to those with disabilities or chronic conditions, people across the country rely on DME to go about their daily lives -- whether it's simply to walk around without falling or to breathe normally when their lungs can no longer do it on their own. But this equipment cannot save lives if it isn't made available to those who need it most, especially in rural communities where we know barriers to access health care already exist, which is why we urge you to cosponsor our bipartisan legislation, the Protecting Home Oxygen & Medical Equipment (HOME) Access Act ([H.R. 4229](#)).

This legislation delays the July 1, 2016 cuts to DME payments in non-CB areas until 2019 when CMS is required to take into account additional cost factors in non-CB areas as required by the 21st Century Cures Act and shields payment rates for oxygen concentrators from the outdated budget neutrality offset. To join my efforts or learn more, please contact Megan Perez (megan.perez@mail.house.gov) in Rep. McMorris Rodgers' office or Maddie Bushnell (maddie.bushnell@mail.house.gov) in Rep. Loeb'sack's office.

Sincerely,



Cathy McMorris Rodgers
Member of Congress



Dave Loeb'sack
Member of Congress