

March 16, 2005

Mr. Michael Keane
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Mail Stop C5-08-27
7500 Security Boulevard
Baltimore, MD 21244-8012

RE: Comments Relating to the February 28th-March 2nd Meeting of the Provider Advisory and Oversight Committee, CMS Implementation of Competitive Bidding for DMEPOS Items

Dear Mr. Keane:

On behalf of the Power Mobility Coalition (PMC), a nationwide association of manufacturers and suppliers of power wheelchairs and motorized scooters, we submit these comments in response to the issues and agenda items discussed at the February 28th-March 2nd meeting of the Program Advisory and Oversight Committee (PAOC). The PMC thanks the Centers for Medicare and Medicaid Services (CMS) for their efforts to accept supplier and manufacturers input when implementing a national competitive bidding program and institute quality standards for Medicare suppliers of durable medical equipment (DME).

The PMC offers the following recommendations to CMS when discussing the bid evaluation process as well as quality standards for DME suppliers subject to the competitive acquisition process:

1. Accreditation Status for DME Suppliers should be “Grand-fathered.”

The Medicare Modernization Act (MMA) requires all DME suppliers be accredited by a national recognized accreditation body. The PMC strongly supports such a provision. In fact, many PMC members have already subjected themselves to the accreditation process despite no government requirement to do so. Often times, this accreditation process is both expensive and time-consuming, especially initial accreditation reviews. The PMC strongly urges that CMS accept existing accreditation as satisfaction of the accreditation requirement. Requiring suppliers to get re-accredited will be unnecessary and duplicative. Moreover, the Joint Commission on Accreditation of Health Care Organizations (JCAHO) representative that sits on the PAOC commented that accrediting bodies will have a hard time meeting the anticipated new demand, let alone having to re-certify those suppliers who have already been accredited. As a result, the PMC recommends that CMS grandfather in DME suppliers who have already been accredited by a nationally recognized accrediting body.

2. Special Consideration Should be Provided to Small Suppliers to Ensure that Small Suppliers Can Meet Competitive Bidding Requirements.

To be considered as part of the competitive bidding pool, DME suppliers will now be required to be accredited and adhere to new quality standards. Yet, such requirements are an unfunded mandate to suppliers to pay for administrative functions and services that supplement the duties performed by CMS contractors like the National Supplier Clearinghouse (NSC). Many smaller suppliers are “mom and pop” operations that lack the resources to be able to pay the large fees charged by accreditation bodies.

Failure to help small suppliers with the costs associated with accreditation will adversely limit participation in any national acquisition bidding program to large suppliers who may already possess a competitive advantage in their ability to offer lower bids as a result of their volume purchasing. Moreover, many small suppliers serve rural and underserved urban communities where larger suppliers may not operate. If CMS fails to provide some special consideration to these smaller players, Medicare beneficiaries in these more difficult to reach areas, are at risk for not being served.

3. All DME Suppliers Should Be Subject to Quality Standards and Accreditation Requirements and Such Requirements Should Not Be Phased-In.

At the PAOC meeting there was discussion that new quality standards be phased-in and apply to those who enter into the competitive bidding pool first. The PMC urges that any new quality standards, including accreditation, be subjected to all DME suppliers once finalized. To ensure swift implementation of accreditation and quality standards, CMS should incorporate such new requirements into the current supplier standards. PMC members are united in calling for the end of “fly by night” operators and others who fail to adhere to the rules of the Medicare program. Moreover, the PMC believes that there should be meaningful barriers of entry to the Medicare program so that fraudulent operators never get the opportunity to put the Medicare program or its beneficiaries at risk.

The PMC appreciates the opportunity to submit comments. We look forward to working with CMS and the PAOC on these important issues.

Very truly yours,

Eric W. Sokol
Director

Stephen M. Azia
Counsel