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Power Mobility Coalition Voices Concerns over New Interim Final Rule Implementing National Government Consolidation of HME Providers

WASHINGTON, DC – The Power Mobility Coalition (PMC), an association of manufacturers and providers of power mobility devices, today raised concerns over the release of an interim final rule issued by the Center for Medicare & Medicaid Services (CMS) which would force a consolidation of home medical equipment (HME) providers resulting in the elimination of quality American jobs.

The interim final rule (CMS-1561-IFC) was developed in response to the Medicare Improvements for Patients and Providers Act (MIPPA) which delayed implementation of the government's "bidding program" in exchange for a 9.5% across-the-board cut in the fee schedule for most Medicare durable medical equipment items. The "bidding program" was implemented and contracts were awarded for two weeks last July before the program was delayed by Congress.

By issuing an interim final rule (instead of a proposed rule), CMS has bypassed the traditional notice and comment process that takes place prior to implementation. The fact that the rule will be in place a month before public comments are due indicates that CMS failed to take the appropriate time, including soliciting input from medical equipment stakeholders, to properly examine the program.

As PMC Director, Eric Sokol noted, "It's an eleventh hour thumb in the eye from the Bush Administration who rushed to get out the rule before data from the aborted first round could be properly analyzed and recommendations from impacted stakeholders given." Sokol asserts that, at a minimum, CMS could issue the regulation as a proposed rule so past will not be prologue.

“Despite numerous problems which plagued the bidding process, including glitches that marred timely provider enrollment, providers being unfairly disqualified and accusations of providers gaming the bidding process in certain product categories, the interim final rule does little to address these issues.”

In addition to the thousands of layoffs that will be created from non-contracted providers leaving market, the PMC also has a concern that subjecting Medicare reimbursement to a bidding process will provide an incentive for contracted providers to purchase inferior products from foreign manufacturers in an effort to cut costs, thus jeopardizing thousands of high quality domestic manufacturing jobs. As PMC Director Sokol explains, "In these hard economic times, it makes no sense for Medicare to create incentives that forces providers overseas to purchase shoddy product at the cheapest price. This is not good economic policy and even worse health care policy."

Government mandatory consolidation of the home medical equipment community also threatens beneficiary choice restricts beneficiary access and will create major disruptions of service for thousands of Medicare beneficiaries who rely on these products and services to conduct their activities of daily living. Stephen Azia, PMC Counsel, laments, "instead of taking the time to explore the program's deficiencies CMS seems content to simply, once again, roll the dice by issuing virtually the same rule from 2007."

The PMC is working with other advocates and policymakers to rescind government mandated consolidation of lawful providers while ensuring needy beneficiaries access to quality products and services as part of the upcoming debate on comprehensive health care reform promised in the 111th Congress.

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The Power Mobility Coalition (PMC) is a nationwide association of manufacturers and suppliers of motorized wheelchairs and power operated vehicles based in Washington, DC.