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Association**

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**Statement
of the
American Hospital Association
before the
Committee on Ways and Means
Subcommittee on Health
of the
U.S. House of Representatives**

**Hearing on Medicare's Durable Medical Equipment, Prosthetics, Orthotics, and Supplies
(DMEPOS) Competitive Bidding Program
May 6, 2008**

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our 37,000 individual members, the American Hospital Association (AHA) appreciates the opportunity to provide a statement for the record on Medicare's Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program.

In an effort to reduce Medicare's costs for DMEPOS, the *Medicare Modernization Act of 2003* directed the Centers for Medicare & Medicaid Services (CMS) to establish a competitive bidding process for these products and services. The AHA supports potential congressional efforts to allow hospitals to participate in the Medicare DMEPOS program but to be excluded from the bidding process. This would allow hospitals to continue to provide equipment and supplies directly to their patients during a hospital stay and upon discharge to their homes and communities.

While the AHA supports the broad goal of Medicare's competitive bidding program, we remain concerned that the implementation of certain CMS regulations will restrict the ability of many hospitals to meet their patients' DME needs in a clinically comprehensive and timely manner. To avoid this problem, hospitals wish to continue participating in the DMEPOS program by accepting the price set through the competitive bidding process, without being required to submit a bid. This approach would treat hospitals in the same manner in which physicians are treated under the DMEPOS competitive bidding program. It recognizes that, unlike DMEPOS vendors, both physicians and hospitals are health care providers primarily focused on treating patients. This



would allow hospitals to continue serving their patients without interfering with the DMEPOS prices set through the competitive bidding process and, therefore, would avoid adding costs to the Medicare program.

This proposal would benefit patients who need DMEPOS, as well as patient education and support on the proper use of the DMEPOS. This is especially critical for medically complex patients who need more advanced DMEPOS to be able to return home safely. Large DME vendors place less emphasis on the training, education and ongoing technical support needed for this type of DMEPOS, instead preferring to focus on achieving the most cost-efficient methods of delivering high-volume DMEPOS. Without being able to rely on the hospital for comprehensive DMEPOS services, patients who need more customized care and specialized DMEPOS might not be discharged as directed by the treating physician in a timely fashion. In addition, the lack of comprehensive patient and caretaker education and technical support could result in the inappropriate and unsafe use of DMEPOS.

To ensure that beneficiaries have timely access to DMEPOS and comprehensive service, we urge you to support legislation to allow hospitals to continue participating in the Medicare DMEPOS program without submitting a bid, thereby benefiting Medicare patients without adding cost to the program.

We thank you again for the opportunity to submit a statement for the record on Medicare DMEPOS Competitive Bidding Program and look forward to collaborating further on this important issue.