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Congress of the United States
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COMMITTEE ON ARMED SERVICES
SUBCOMMITTEE ON AIR AND LAND FORCES
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

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SUBCOMMITTEE ON FINANCIAL INSTITUTIONS
AND CONSUMER CREDIT
SUBCOMMITTEE ON HOUSING AND
COMMUNITY OPPORTUNITY

June 12, 2008

Honorable Charles Rangel
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Honorable Jim McCrery
Ranking Member
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Rangel and Ranking Member McCrery:

I join many of my colleagues in writing to bring to your attention serious concerns with the Medicare durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) competitive bidding program and ask that you support legislation this year to delay the implementation of this program until outstanding issues can be resolved.

The Cincinnati-Middletown Metropolitan Statistical Area (MSA) includes significant portions of Kentucky's Fourth District. My concern arises from the many flaws in the implementation of the program thus far and its implications for Medicare beneficiaries in my district receiving high quality health care. Almost four million Medicare beneficiaries will be impacted by Round 1 of the competitive bidding program scheduled to take effect July 1, 2008. Eighteen million beneficiaries will be affected by Round 2 which is scheduled for implementation in July 2009. I join my colleagues in requesting legislation that would delay the implementation of this program until outstanding issues are resolved.

The main concerns I have heard from providers in my district are the discrepancies between information submitted by bidders and received by the Center for Medicare and Medicaid Services (CMS). I have heard from long-standing companies who have offered quality homecare services for decades, but who have been excluded from the bidding program, apparently through no fault of their own. The vast majority of rejected bidders were informed that they have not submitted sufficient financial information, when in many cases, bidders have evidence they had. These rejected bidders have no appeal rights.

There also needs to be more transparency from CMS as to how bidders' financial information and service capacity were evaluated and how the single payment amount was calculated. This information is critical to the bidding program's success. At the very least, an internal review should be conducted to ensure the accuracy and effectiveness of

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the criteria for future bidding. Everyone agrees that it is of the utmost importance that we protect access to quality medical supplies for all Medicare beneficiaries and people with disabilities. Therefore, I join my colleagues in urging that the implementation of Round 1 be delayed for at least a year.

Sincerely,

A handwritten signature in cursive script that reads "Geoff Davis". The signature is written in black ink and is positioned above the printed name.

Geoff Davis
Member of Congress

GD/lo