

# NEW MEDICARE PROGRAM THREATENS BUSINESSES, JOBS, PATIENT CHOICE & QUALITY OF SERVICE

## MEDICARE'S "COMPETITIVE BIDDING" PROGRAM IS REALLY AN ANTI-COMPETITIVE SCHEME:

- The Centers for Medicare and Medicaid Services (CMS) calls the program "competitive bidding," but it is really an *anti-competitive* scheme. The program mandates market concentration, reduces competition, and will ultimately raise prices.
- Real competition keeps prices low, gives consumers choices, and holds competitors accountable for the quality of their products and services. Open markets and competition deliver lower prices and better service. The current competitive market for home medical equipment works well for consumers and patients and should not be traded for a government-mandated scheme that compromises patient care.



### THE PROGRAM'S IMPACT ON PATIENTS:

- "Competitive bidding" profoundly affects how patients will receive in-home medical equipment and supplies such as wheelchairs, oxygen, hospital beds, and much more. "Competitive bidding" threatens critical services and the future affordability of these critical medical devices.

### A BAD IDEA:

- "Competitive bidding" sounds like a good idea because healthy competition is good. But the scheme being unleashed on America's elderly, infirmed and disabled is a truly bad idea that is *anti-competitive*. It is an effort to manipulate markets and would be illegal if it were attempted by privately-owned companies.

### A MIDDLE-OF-THE-NIGHT LEGISLATIVE MANEUVER:

- To be fair to Congress, this information was not available to them when this provision was inserted into the Medicare Modernization Act of 2003 at the last moment in the middle of the night. As the people of Pennsylvania are aware, middle-of-the-night legislative maneuvering too often spells trouble for taxpayers.

## THIS ANTI-COMPETITIVE SCHEME WILL HAVE UNINTENDED CONSEQUENCES

### PATIENT RISKS:

- **Loss of choice.**
- **Confusion and inconvenience.**
- **Dramatic cutbacks in service availability and responsiveness.**

### ECONOMIC RISKS:

- **Higher long-term Medicare costs.**
- **Potential for hundreds of small business failures and job losses due to the elimination of independent competitors.**

## CONGRESS SHOULD TAKE THE FOLLOWING ACTIONS WITHOUT DELAY:

- Demand that CMS immediately suspend the signing of Round 1 competitive bidding contracts planned for March of 2008. This will give Pennsylvania's congressmen and women time to further study these findings.
- Restore free-market principles by repealing the midnight mandate that home medical equipment and supplies must be purchased by Medicare through the flawed, so-called "competitive bidding" process.



Pennsylvania Association of Medical Suppliers  
1000 Bent Creek Boulevard • Suite 10 • Mechanicsburg, PA 17050  
(717) 795-9684 • [www.pamsonline.org](http://www.pamsonline.org)