

Altmire Tours Small Business in Tarentum Endangered by Medicare Reform

(Tarentum, PA) - Continuing his effort to ensure local small businesses are not unfairly penalized by Medicare reform, Congressman Jason Altmire (PA-4) today toured Blackburn's Physicians Pharmacy, Inc. in Tarentum and talked with Vice President Georgie Blackburn about the Centers for Medicare and Medicaid Services' (CMS) new Competitive Bidding Program. Starting this July, Pittsburgh will be one of 10 metropolitan areas in which CMS will implement a new program that threatens to put hundreds of local, small medical equipment suppliers out of business. Pennsylvania has approximately 1,600 suppliers, approximately 480 - 640 of which are in the Pittsburgh area. Eighty-five percent of these are small suppliers.

CMS' new competitive bidding program aims to reduce equipment prices and the number of Durable Medical Equipment (DME) service providers who sell to Medicare recipients. This would hurt thousands of small businesses who provide valuable, individualized patient care but cannot viably reduce their prices as much as national and regional firms.

"As more and more baby boomers join Medicare, it is clear that we need to look for common sense ways to cut costs," Altmire said. "However, CMS' new Competitive Bidding Program could force thousands of small medical equipment suppliers out of business, costing hard working Americans' their jobs and depriving Medicare recipients of valuable, personalized care. This could have a particularly devastating effect on the Pittsburgh area, which is home to hundreds of small medical equipment suppliers."

As Chairman of the Small Business Investigations and Oversight Committee, Congressman Altmire held a hearing in October, where Ms. Blackburn testified about the challenges CMS' new Competitive Bidding Program places on small suppliers. Small businesses make up more than 90 percent of the nation's medical equipment suppliers, selling items including home oxygen equipment, hospital beds, walkers, and wheelchairs. For many of these suppliers, Medicare can comprise up to 65 percent of their business. While CMS has tried to accommodate these suppliers by issuing rules that protect certain categories of small suppliers and encourages the formulation of small supplier networks, by CMS' own estimates, as few as 20 contracts on average will be awarded in each metropolitan area. Suppliers without contracts will be unable to sell to people using Medicare.

"We've built our businesses upon uncompromised service and dedication to our patients," Georgie Blackburn of Blackburn's Physicians Pharmacy, Inc. said. "Competitive Bidding reduces this to a commodity and will award those companies able to bid the lowest price with a 3 year contract. That is not the small provider. Throngs of small providers will no longer be able to serve Pittsburgh's Medicare patients who depend upon us. We are deeply concerned about quality, continuity and timeliness of care for our patients. We are concerned that we may not survive Competitive Bidding."

Congressman Altmire has co-sponsored the Medicare Durable Medical Equipment Act (H.R. 1845) to improve smaller businesses' ability to compete in the new Competitive Bidding Program. Specifically, the bill would allow all eligible suppliers to provide equipment and services at the lower competitive bid rate established by CMS, give suppliers a recourse for administrative and judicial review if they feel CMS has made a mistake in their reimbursement or contract evaluation, and exempt items and services from the bidding process unless CMS could show savings of at least 10 percent.

"Being forced out of the Medicare market will devastate smaller equipment suppliers," Altmire said. "This is why I am pressing for legislation that will improve CMS' Competitive Bidding Program, so we can lower Medicare costs while

preserving small businesses" ability to serve people they have provided valuable care to for years."