

16 February, 2010



Dear ROHO User,

You may not be aware of a program that is being implemented by the U.S. Medicare program that may have a direct impact on your ability to obtain a ROHO cushion, and related service / support, in the future. The program I am referring to is the Competitive Bidding of Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS). Under this program equipment providers within a metropolitan area will be required to bid for the right to provide specific medical equipment and supplies to Medicare beneficiaries in that area. In order to bid, a provider must be able to service the entire bid area and must offer all of the products included in the bid category. However, there are no minimum service levels required in the bid. Finally, winning bidders are selected strictly based on submitted prices for the entire product group being bid with the lowest composite prices winning.

So what does this mean for individuals that need high end seat cushions like ROHO's? Here's a partial list of the concerns that we've identified:

- Bidding is done by Medicare code (called HCPCS codes). All high end, adjustable seat cushions are assigned to one of four HCPCS codes (K0734 – K0737). Currently there are over 4,000 unique items / cushions assigned to one of those four codes. These items are of various sizes, shapes, materials, functionality and clinical efficacy. Bottom line, bidding these codes would be akin to requesting a bid for a “powered vehicle with four wheels”. The resulting bids would be for everything from an all terrain vehicle to a high end luxury car, with the lowest bid winning. **The HCPCS codes for adjustable seat cushions (K0734 – K0737) are not distinct enough to bid. Bidding them will restrict access to the specific product that a user needs.**
- By definition, “adjustable” seat cushions must be able to be initially adjusted to the individual and capable of being re-adjusted as the individual’s shape, weight and / or needs change; but, no minimum services are required as a part of the bid. Initial assessment and training is critically important for a first-time user to make sure that the correct product is selected and that it is adjusted properly. **Bidding adjustable seat cushions will reduce user access to the services they need to insure proper selection and adjustment.**
- A provider must be able to service the entire geographic area encompassed by the competitive bid. In some cases this will be a very large geographic area. Many of the most qualified providers of high end seating items are small, niche providers that focus on servicing a specific geographic area. **Many providers of adjustable seat cushions are small providers who may be prohibited from even bidding because they aren't capable of covering the entire geographic area covered by the competitive bid.**
- A provider must offer all of the products included in the bid category. High end, adjustable seat cushions have been included in bid categories comprised of power wheelchairs and their parts / accessories. The bid categories include over 100 different codes with the power wheelchairs themselves being the dominant items that will determine which providers win the bids. **Many providers of adjustable seat cushions may be prohibited from even bidding because they don't offer a wide variety of power wheelchairs, accessories and parts. Providers that focus on wound care rather than mobility may have the knowledge and products to address a user's seating needs but they won't be able to submit a bid.**
- Under competitive bidding rules, a Medicare beneficiary residing in a geographic area that is under competitive bidding will no longer be allowed the option to purchase the item they desire privately (if it is included in bidding) and subsequently file a claim with Medicare for reimbursement at the Medicare allowed rate. In order to get Medicare to cover and reimburse for the item the beneficiary will have to go through a bid winner and select from the products they are willing to provide. **Competitive bidding will reduce end user choice.**

- Over time Medicare competitive bidding in specific metropolitan area will affect all U.S. users regardless of payer or physical location. Under competitive bidding rules, winning providers must offer the same goods and services to all their customers that they provide to Medicare beneficiaries. In addition, we've already seen the impact of competitive bidding on various state Medicaid program. Finally, within health care reform legislation currently being considered by Congress are proposals that would mandate winning competitive bidding rates be implemented nationally by 2016. **The competitive bidding of adjustable seat cushions will affect quality and access for all users, not just Medicare beneficiaries in a specific geographic area.**

There is still a chance to prevent this from happening but time is running out! If you are concerned about this matter you need to contact your Senators and Representative. Your message needs to be personal but you can certainly use the points we've bolded above to focus your message. If you do not know who your Senators and Representative are, or how to contact them, here are internet links you can use to obtain the information you need:

Senate: http://www.senate.gov/general/contact_information/senators_cfm.cfm

House: http://www.house.gov/house/MemberWWW_by_State.shtml

It's quite likely that your message will be reviewed by a staff member so make sure that you stress that you wish this brought to the attention of the Senator / Representative.

Thank you in advance for your assistance and support. For your reference we've included a flyer that describes the competitive bidding program in more detail. If you'd like to have more detailed information on this issue, or have any questions please do not hesitate to contact me.

Sincerely,



David McCausland
Senior Vice President of Government Affairs
ROHO, Inc.
davem@therohogroup.com
618-277-9173