

Wound Care Manufacturers

July 9, 2018

Ms. Seema Verma
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-1687-IFC
Mail Stop C4-26-05
7500 Security Boulevard
Baltimore, MD 21244-1850

Re: Interim Final Rule - Medicare Program; Durable Medical Equipment Fee Schedule Adjustments to Resume the Transitional 50/50 Blended Rates to Provide Relief in Rural Areas and Non-Contiguous Areas

Dear Administrator Verma:

The Coalition of Wound Care Manufacturers (“Coalition”) is submitting the following comments in response to the CY 2019 Interim Final Rule regarding DME. The Coalition represents leading manufacturers of wound care products used by Medicare beneficiaries for the treatment of wounds including but not limited to Negative Pressure Wound Therapy, Surgical Dressings and Cellular and/or Tissue Based Products for Wounds.

The Coalition is supportive of the interim adjustment to improve access and services to select non-bid areas as well as for DME furnished in rural areas. However, while the Coalition appreciates this interim adjustment we believe that this adjustment should have been provided in all non-competitive bidding areas (CBA) and not just those that meet CMS’s definition of “rural” or non-contiguous as we believe that this would have been more inline with Congressional intent. Additionally, the Coalition finds the definition placed in this final interim rule of a rural area to be extremely narrow.

There are significant issues with access to necessary DME to beneficiaries as a result of the competitive bidding program. In fact, in this interim final rule, CMS has recognized that dramatic payment reductions are causing real and serious access issues because many DME suppliers simply can no longer afford to keep their businesses open or provide items in a quality and timely manner. The Coalition completely agrees with CMS. However, as CMS has stated, the “dramatic payment reductions are causing real and serious access issues because many DME suppliers simply can no longer afford to keep their businesses open or provide items in a quality and timely manner” is not limited to the non-contiguous and rural areas. CMS should recognize that the same issues are occurring in the remaining non-competitive bid areas. As such, the Coalition urges CMS

to implement program reforms in the next round of competitive bidding to ensure accurate and adequate reimbursement is established for competitive bid areas.

The Coalition also suggests that the definition of a rural area is extremely narrow. The Office of Management and Budget's (OMB) definition is most commonly used in health care policy when defining a rural area. The OMB defines all counties that are not part of a Metropolitan Statistical Area (MSA) as "rural." The OMB definition recognizes that all areas outside of MSAs should be treated the same since these areas are all significantly less densely populated than MSAs. As a result of this definition, OMB recognizes that all DME suppliers will incur additional costs caused by increased travel and other costs in these areas. The Coalition agrees with OMB's definition and recommends that CMS utilize the OMB definition for competitive bidding purposes when defining a rural area.

Finally, as a practical matter, the Coalition has over the years stated that CMS must be more transparent in its actions. The Coalition recommends that CMS increase transparency of the competitive bidding program by providing the criteria used to select winning bidders. While CMS does provide the general framework used to select winning bidders, CMS does not currently explain and/or provide the criteria it applies when actually choosing the winning bidders. In order to be transparent, the Coalition recommends that CMS provide the standards used to select winning bidders.

Conclusion

As stated above, the Coalition appreciates the interim payment adjustment but recommends that:

- CMS apply the payment adjustment to all rural and non-competitive bid areas
- CMS use the OMB definition of a rural area and
- For purposes of transparency, CMS should provide the standards used to select winning bidders.

The Coalition appreciates the ability to comment on this interim final rule and hopes that the Agency will consider our requests as it finalizes the CY 2019 DME fee schedule and rate adjustments.

Sincerely,



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Coalition of Wound Care Manufacturers

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