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United States Senate

WASHINGTON, DC 20510

October 22, 2010

Donald Berwick, MD MPP
Administrator
Centers for Medicare and Medicaid Services
7500 Security Blvd
Baltimore, MD 21244

Dear Administrator Berwick:

As you know, the *Medicare Modernization Act* mandated that the Centers for Medicare and Medicaid Services (CMS) create and implement a competitive bidding for certain Durable Medical Equipment (DME) products. Round One is currently scheduled to go into effect on January 1, 2011 and includes nine metropolitan statistical areas (MSAs) around the country, including Pittsburgh, Pennsylvania.

Over the last several months, DME providers in Pennsylvania have reached out to me regarding concerns they have including about how the competitive bidding process was developed. They recently shared a letter sent by 167 academics who specialize in the theory and practice of auctions and competitive bidding. I have included a copy of this letter for your reference. In this letter, they claim there are flaws in the competitive bidding process that CMS developed that will lead to reduced beneficiary access to DME products, decreased quality in products and services and possibly increase fraud and abuse.

While I agree that the current payment system for DME needs to be reformed, I am interested in your response to the concerns raised by these experts. As we work to reform the DME payment system, it is important to ensure beneficiaries have access to quality equipment and service.

I look forward to hearing from you and continuing to work with you and your staff as we implement this program.

Sincerely,



Robert P. Casey, Jr.
United States Senator