

## Congress lends support to competitive bidding review

Members of both the House and Senate have been vocal recently with concerns regarding the Centers for Medicare & Medicaid Services' (CMS's) plan to further expand Medicare's Competitive Bidding Program for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS). In July, CMS announced it will recompetete supplier contracts awarded under Round 2 of the program, with bidding commencing this winter and new contracts beginning July 1, 2016.

While the Office of Inspector General (OIG) is currently conducting a number of studies looking into aspects of the program's second round, a more comprehensive analysis is needed to ensure the program is not unduly impacting senior health. Earlier this spring, 39 Senators signed on to a bipartisan letter urging CMS to delay further expansion of the program until the OIG finishes its current examination. Specifically, the letter urges CMS to allow the OIG to complete its current investigation on competitive bidding licensure problems and verification of Round Two single payment amounts.

Members of the House have also written their own bipartisan letter, gathering 138 signers to stress the importance and need for a thorough OIG review. The letter includes a list of items needing analysis, such as how CMS enforces supplier responsibilities and the impact on beneficiary health. The letter also includes language that directs the OIG to assess any changes in products and treatment patterns of enteral nutrition patients residing in skilled nursing facilities, nursing facilities, and intermediate care facilities.

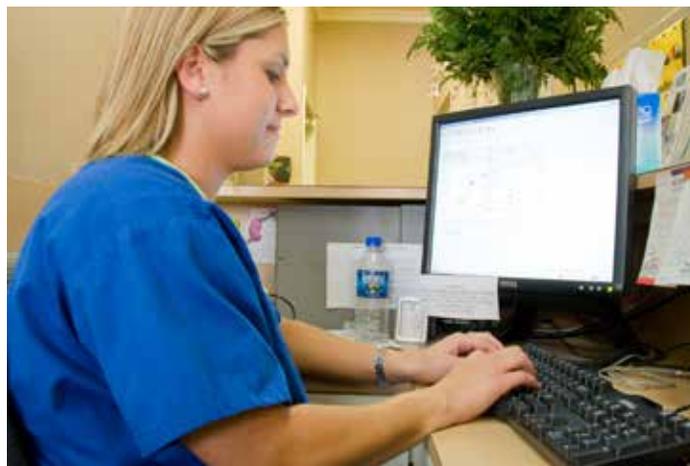
Both the House and Senate have asked CMS to give ample time to review the OIG results before implementing Round 2 of Competitive Bidding nationwide in 2016. Expect investigation results to be released in the coming months.

## Proposed Sunshine Act changes questioned by industry

CMS has released four new proposals amending portions of its Physician Payments Sunshine Act, the law that seeks to improve transparency regarding financial relationships between providers and healthcare suppliers. Two proposals in particular could potentially increase compliance and operational costs for companies that manufacture, market, or distribute medical devices and supplies.

The first would require companies to include the marketed name for a drug, device, biologic, or medical supply associated with a provider payment, instead of having the option to provide the marketed name, therapeutic area, or product category. CMS is also proposing that companies report stock, stock options, or any other ownership interest that provides value to physicians in distinct categories, rather than lumping them together as one reported item, which is currently required.

While these changes further CMS's attempt to create more transparency around physician-manufacturer relationships, some device makers consider them unnecessary.



The proposals are open for comment through early September, and final rules would take effect January 1, 2015, if implemented.