

**Congress of the United States**  
**U.S. House of Representatives**  
**Committee on Small Business**  
2361 Rayburn House Office Building  
Washington, DC 20515-6515

**NOTICE OF HEARING**  
**September 11, 2012**  
**10:00 A.M., 2360 Rayburn House Office Building**

**TO: Members, Subcommittee on Healthcare and Technology**

**FROM: Renee Ellmers, Chairwoman**

**DATE: Tuesday, September 4, 2012**

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The Committee on Small Business Subcommittee on Healthcare and Technology will meet for a hearing titled, *Medicare's Durable Medical Equipment Competitive Bidding Program: How are Small Suppliers Faring?* The hearing is scheduled to begin at **10:00 a.m. on September 11, 2012 in Room 2360 of the Rayburn House Office Building.**

For years, Medicare's benefit for durable medical equipment, prosthetics, orthotics and supplies has been plagued by a fee schedule with high error rates and above-market costs for the Medicare program, beneficiaries and taxpayers. In response, in 2003, Congress established a competitive bidding program designed to provide greater value while ensuring beneficiary access to supplies and satisfaction with them.

According to the Centers for Medicare and Medicaid Services (CMS), in the first nine geographic areas, the program generated first year savings of about \$202 million, or 42%, compared to costs expected under the fee schedule. The health care law expanded the competitive bidding program to additional areas and product categories. Many suppliers are small businesses, and CMS developed special considerations to assist small firms in winning contracts. Approximately 51% of winning suppliers are small suppliers (defined by gross revenue of \$3.5 million or less), exceeding CMS's goal of 30%. Still, some small businesses complain that the system favors large companies and they are at a competitive disadvantage. The hearing will examine the program to understand its impact on small suppliers.

A staff briefing will be held on Monday, September 10, 2012 at 2:00 p.m. in Room 2360 of the Rayburn House Office Building.

If you have questions, please call Jan Oliver with the Committee at 5-5821.