



For Immediate Release

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**Home Oxygen Community Decries Deep and Destabilizing Medicare
Cuts in House CHAMP Act**

Oxygen Benefit Already Reeling From 19% Cuts Being Implemented in 2009
**Additional Billions in House-Proposed Cuts Would Gut Critical Patient Services
and Directly Impact 35% of Home Oxygen Beneficiaries**

WASHINGTON (August 1, 2007) – In a letter to the Speaker and the Minority Leader of the U.S. House of Representatives, the Council for Quality Respiratory Care (CQRC) -- a coalition of the nation's 11 leading home oxygen therapy providers and manufacturers – joined with other leaders in the home oxygen community to express strong opposition to an 18-month cap on Medicare payments for home oxygen services included in the Children's Health and Medicare Protection Act of 2007 (CHAMP), which will be voted on today.

The letter to House Speaker Nancy Pelosi, (D-CA) and Minority Leader John Boehner, (R-OH) dated July 31, 2007, and signed by national patient advocate organizations as well as providers and manufactures, states "Of the more than one million frail and vulnerable beneficiaries currently relying on oxygen therapy in their homes, 35 percent will feel the direct, damaging, and potentially irreversible effects of such profound cuts in this critical benefit."

The letter, which underscored the impact of sweeping changes to the home oxygen benefit enacted by Congress as part of the Medicare Modernization Act and the Deficit Reduction Act, pointed to a just-published analysis documenting that these changes will cut Medicare home oxygen funding by 19 percent in 2009 alone. These cuts stem from the 36-month cap on Medicare payments and competitive bidding – two dramatic policy shifts that are still in the process of being implemented. The letter also said that additional billions of dollars in cuts being voted on today by the House of Representatives will be devastating to a community whose services often keep patients functioning in their own homes and decrease the need for hospitalization. "We are deeply concerned that further changes in Medicare's payment structure or reductions in funding for home oxygen at this time would deal a devastating blow to providers and the patients who rely on their care," the letter states.

The letter pointed out the irony that the House's CHAMP Act proposes a smaller tobacco tax increase than the Senate's SCHIP package, while cutting an important Medicare benefit that ensures care for beneficiaries, many of whom became chronically ill through the use of tobacco products. "This is especially ironic in light of the proven benefits of home-based oxygen in treating tobacco-related disease and in keeping patients with pulmonary conditions out of the hospital. In fact, recent research shows that "access to services such as home oxygen...can decrease the need for hospitalization" of Medicare patients with chronic obstructive pulmonary disease and bacterial pneumonia. The study, conducted by researchers at the Center for Studying

Health System Change and Memorial Sloan-Kettering Cancer Center, was published in the June edition of the journal *Medical Care*.”

Home oxygen therapy is an essential therapy for Americans who suffer from Chronic Obstructive Pulmonary Disease (COPD) or other degenerative disease of the lung. Nationwide, as many as 15 million Americans have been diagnosed COPD – a slowly progressive, incurable disease causes irreversible loss of lung function. Although existing medications have not proven beneficial in reversing its effects, home oxygen therapy—when properly prescribed and maintained—can slow or stop lung degeneration. Today, approximately one million Medicare patients depend on the Medicare oxygen benefit for quality of care and quality of life in the home environment. Medical oxygen is classified as a drug under the Federal Drug Administration (FDA) and can only be administered under a physician’s care. The typical home oxygen Medicare beneficiary is female, suffers from COPD, is in her mid-70s, lives alone, and has physical limitations that prevent her from driving.

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July 31, 2007

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Madam Speaker and Minority Leader Boehner:

We are writing on behalf of the home oxygen therapy community to communicate our strong opposition to cuts in Medicare's home oxygen therapy benefit contained in the Children's Health and Medicare Protection Act of 2007.

Proposals to cap Medicare payments for vital home oxygen therapy at 18-months would severely impair the provider community's ability to ensure access to quality home oxygen services. Of the more than one million frail and vulnerable beneficiaries currently relying on oxygen therapy in their homes, 35 percent will feel the direct, damaging, and potentially irreversible effects of such profound cuts in this critical benefit.

As you are aware, Congress made sweeping changes to the home oxygen benefit as part of the Medicare Modernization Act and the Deficit Reduction Act. A just-published analysis documents that these changes will cut Medicare home oxygen funding by 19 percent in 2009 alone. These cuts stem from the 36-month cap on Medicare payments and competitive bidding – two dramatic policy shifts that are still in the process of being implemented. We are deeply concerned that further changes in Medicare's payment structure or reductions in funding for home oxygen at this time would deal a devastating blow to providers and the patients who rely on their care.

Finally, we see great irony in using Medicare cuts for home oxygen therapy to compensate for the House's decision to lower tobacco tax revenue significantly below the level contained in the Senate SCHIP bill. This is especially ironic in light of the proven benefits of home-based oxygen in treating tobacco-related disease and in keeping patients with pulmonary conditions out of the hospital. In fact, recent research shows that "access to services such as

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As leaders in the home oxygen therapy community, we urge you to oppose these proposed cuts in this essential Medicare benefit.

Sincerely,

American Association for Homecare
Coalition for Pulmonary Fibrosis
COPD Alert, National Patient Support and Advocacy Group
Council for Quality Respiratory Care
Air Products Healthcare
AirSep Corporation
American HomePatient
Apria Healthcare
Devilbiss Healthcare
Invacare Corporation
Lincare Holdings
Pacific Pulmonary Services
Praxair Healthcare Services
Respironics
Rotech Healthcare
National Emphysema/COPD Association