

WALLY HERGER
2ND DISTRICT, CALIFORNIA

PLEASE REPLY TO:

WASHINGTON OFFICE:
242 CANNON HOUSE OFFICE BUILDING
(202) 225-3076

DISTRICT OFFICES:

2635 FOREST AVENUE, SUITE 100
CHICO, CA 95928
(530) 893-8363

410 HEMSTED DRIVE, SUITE 115
REDDING, CA 96002
(530) 223-5898

www.house.gov/herger



COMMITTEE ON
WAYS AND MEANS

SUBCOMMITTEES:
RANKING MEMBER
HEALTH
TRADE

Congress of the United States
House of Representatives
Washington, DC 20515-0502

March 18, 2009

Ms. Charlene Frizzera
Acting Administrator
Centers for Medicare and Medicaid Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Ms. Frizzera:

I am writing to ask CMS to consider exempting state-licensed pharmacists from the accreditation and surety bond requirements for suppliers of durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) under the Medicare program. As you know, Section 154(b)(1) of the Medicare Improvements for Patients and Providers Act (Public Law 110-275) permits the Secretary of Health and Human Services to exempt certain professionals from the accreditation requirements if licensing or other mandatory quality requirements already apply to those professionals.

CMS has exempted a broad range of other medical professionals from the accreditation requirements but has not granted an exemption to pharmacists, who are licensed and regulated in California. I have been contacted by several pharmacists in my Northern California congressional district who are concerned that the costs for accreditation will pose a significant financial burden for cash-strapped community pharmacies. The surety bond requirement will impose an additional \$1,500 annual cost. While I fully share the interest of CMS in eliminating fraud among Medicare DMEPOS suppliers, it is my understanding that DMEPOS accounts for well under 10% of the average pharmacy's annual revenues and that pharmacies deal primarily in low-cost items like diabetic test strips that are not the source of DMEPOS fraud.

I would appreciate a response explaining the reasons why CMS has excluded pharmacists from the accreditation exemption to date, and indicating whether CMS intends to re-evaluate this decision. Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink that reads "Wally Herger".

WALLY HERGER
Ranking Member
Committee on Ways and Means
Subcommittee on Health