

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

29-Jan-1996 04:33pm

TO: Carol H. Rasco

FROM: Jennifer L. Klein
Domestic Policy Council

SUBJECT: Oxygen

You had asked us to follow up on the oxygen proposals that are in our Medicare plan. What I have confirmed is that: (1) our proposal is the same as the Coalition's -- it is an annual cut of 10%; and (2) that this proposal is supported by Jim Davidson and Dian Copelin (and, according to them, the other oxygen groups). However, under both the Coalition plan and our plan, when combined with the freeze on payment updates, the provision reduces oxygen payments from baseline by about 30% by 2002. I assume that the groups are aware of this, but I'm not positive.

Let me know if you need more.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

24-Jan-1996 03:25pm

TO: Christopher C. Jennings
TO: Jennifer L. Klein
TO: Diana M. Fortuna

FROM: Carol H. Rasco
 Domestic Policy Council

CC: Rosalyn A. Miller

SUBJECT: Oxygen

I am really getting hit today on this issue of home oxygen equipment services being cut...apparently some article somewhere quotes someone named Tom Hoyer of HCFA as saying the "Administration" plans to go ahead and cut Medicare payments for this by 40% if budget talks fail. I haven't seen article. Apparently shock waves went throughout this provider community, had adverse impact of stock price of some companies. POTUS has now been directly approached as well.

I need for you all to talk since you all have been involved together/sep. at various points with me on this and I need a briefing memo for POTUS...can I get that by cob Monday? (Unless something catastrophic is happening before then?)

Thanks.

Chris -

Condition

Are we okay w/
the oxygen cut?
Dashile → 1090?

THE WHITE HOUSE
OFFICE OF DOMESTIC POLICY

CAROL H. RASCO
Assistant to the President for Domestic Policy

To:

② Chris / Jen / Alana

Draft response for POTUS
and forward to CHR by: _____

Draft response for CHR by: _____

Please reply directly to the writer
(copy to CHR) by: _____

Please advise by: _____

Let's discuss: _____

For your information: ☒ _____

Reply using form code: _____

File: _____

Send copy to (original to CHR): _____

Schedule ? : ☐ Accept ☐ Pending ☐ Regret

Designee to attend: _____

Remarks: _____

✓ Julie: fax her that we
rec'd memo, sharing
it w/ DPC staff.



JAN - 2 1995

FAX COVER SHEET

Saints Memorial Medical Center
East Campus - P.O. Box 30
Lowell, MA 01853

Deliver To: Carol Rasco
Dept: Domestic Policy Advisor
From: Madeleine MacCallum
Dept: Cardio/Pulm/Rehab Services
Date: 1-2-95 **Page 1 of** 2
Message:

For problems, call (508) 934-8308



SAINTS
MEMORIAL
MEDICAL
CENTER

MEMORANDUM

DATE: January 2, 1996
TO: Carol Rasco
Domestic Policy Advisor
White House, Washington, DC
FROM: Madeleine MacCallum, MHA, RRT
Director, Cardio/Pulmonary/Rehab Services
Saints Memorial Medical Center, Lowell, MA
RE: Changes in Oxygen Reimbursement

Several proposals are being considered as part of the restructuring of Medicare. I would like to state that as the director of a Pulmonary Rehab program, the propose 20% cut is a draconian measure. It would have an adverse effect on the oxygen dependent patient's ability to obtain oxygen services, particularly regarding portable oxygen. Many home care providers currently provide portable oxygen at break even or at a loss. A 20% cut would undoubtedly force many of these providers to stop offering oxygen services. This would be highly detrimental to patients who are oxygen dependent, requiring portable oxygen for exertion in order to attend to the activities of daily living.

Mindful of the deficit we face, the alternate proposal of a 10% cut seems more fair. This is something that the home care providers could absorb without significant detriment to the patients. Therefore, I urge you to consider a maximum decrease of 10% for oxygen reimbursement in your recommendations to President Clinton.

Please contact me at 508-934-8235 if you have any questions. Thank you.



NAMES

National Association for
Medical Equipment Services

cc fyi: Diana
Chris
✓ Jenine

December 19, 1995

Honorable Carol H. Rasco
Assistant to the President
for Domestic Policy
The White House
Washington, DC 20500

Dear Carol:

Thanks so much for meeting with Walt Patterson and I last Friday morning regarding legislative and regulatory concerns pertaining to the home medical equipment services industry. I really appreciated your valuable time and that of your assistant, Diana, as well as your reading the critical background material left with you.

As I shared, we are greatly dismayed at the initial assault on the industry from Congressional and Administrative sources. Though we represent a fraction of the industry, we are trying to be the most conscientious and respectable group solely dedicated to the best access and quality of home medical equipment services in the industry. We have a Code of Conduct and Ethics Committee to push for the best standards in the industry. We have worked with the FBI and Office of Inspector General, DHHS, when and where possible. As shared with you, we testified at the HCFA "listening session" and made sound suggestions on how best to address fraud and abuse. We don't like it any more than the President, the Administration and Congress.

We are pleased that saner minds are prevailing so that the Medicare cuts may not be as drastic as originally, unfortunately, put forward by Bruce Vladeck and HCFA in August, 1995, and picked up by Senator Simpson. All was based on faulty analysis by HCFA of VA data. Note the Guy King report shared with you.

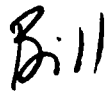
We support the President in wanting to cut the rate of growth of Medicare and Medicaid to a more reasonable level. That is why we have supported cuts in excess of 8% from 14% projected for our industry down to a more manageable 6% to 7% for each of the next 7 years. But we would like the Administration's position to be based on sound policy and analysis.

Honorable Carol H. Rasco
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Specifically, of primary importance to our constituents are the reduction from the proposed 20% cuts phasing in large reductions from 1996 to 2002 to more reasonable and appropriate cuts of 10% for oxygen equipment and services. This is still greater than our proportionate share. We also need to eliminate competitive bidding that will not result in the best access and quality for Medicare beneficiaries. Competitive bidding will potentially eliminate our small business industry. And we need to open up the 7-year freeze on the Consumer Price Index for all DME and greatly appreciate the President's position on this.

Again, thanks for your thoughtful consideration. May you have an enjoyable holiday and a healthy and prosperous New Year. See you in early 1996.

Sincerely,

A handwritten signature in black ink that reads "Bill". The letters are cursive and slightly slanted to the right.

William D. Coughlan, CAE
President and CEO