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VGM Government Relations Releases Updated Study with Leitten Consulting: Competitive Bidding – A Decade Focused on the Wrong Prize

Waterloo, Iowa—VGM Government, in conjunction with Brian Leitten and Leitten Consulting, has released an updated study analyzing the efforts by CMS to control distribution of Durable Medical Equipment (DME). The study, “Competitive Bidding – A Decade Focused on the Wrong Prize. The Case for Medicare Investment in DME in 2021,” looks at how competitive bidding did generate savings and reduce fraud in the system, but missed an even larger opportunity, investing in DME.

“The costs that CMS saved over a decade of focusing on the wrong prize pale in comparison to the real prize, reducing the cost of treating injuries and illnesses that befall Medicare beneficiaries who lack the critical DME they need to stay well,” stated Brian Leitten, head of Leitten Consulting. “CMS continues to bear this enormous cost, which has constantly grown over the decade and now stands at an estimated total of \$98 billion annually in three key DME categories – mobility DME, oxygen therapy, and CPAP therapy equipment and supplies.”

In 2010, VGM engaged Leitten Consulting to chronicle the impact of competitive bidding and quantify the potential to reduce the spending that resulted from not proactively getting DME to Medicare beneficiaries. The original study published in 2011 and the updates that followed established the power and leverage of investing in DME and confirmed the opportunity for CMS to drive down the massive payments it makes to treat the very problems that DME is designed to avoid.

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“Whenever there is a new program implemented, there will be short and long-term impacts,” says John Gallagher, vice president, VGM Government Relations. “When competitive bidding started 10 years ago, we knew we wanted to track the impacts it would have on our members so we could proactively engage with CMS on recommendations to the program to make sure our members’ voices were being heard.”

The study looks closely at the costs associated with falls, Chronic Obstructive Pulmonary Disease (COPD), and Obstructive Sleep Apnea (OSA) and how investing in DME could save \$98 billion annually. Read the full study, paid for by the Last Chance for Patients Choice (LCPS), at vgmgov.com, vgm.com, and leitten.com/medicare-cost-studies/.

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About VGM Government Relations

VGM Government Relations helps VGM & Associates, and all its divisions members, navigate the complexities of the legislative process and regulatory rules with two goals in mind: Members have freedom to do business and their voice is heard. VGM Government Relations advocates for policies and regulations that are good for providers and patients. The team also works closely with state associations to make sure their members understand current reimbursement and payer relations challenges and changes. For more information, visit www.vgmgov.com.

About VGM & Associates

VGM & Associates is the nation’s largest and most comprehensive member service organization (MSO) for post-acute healthcare including DME/HME, respiratory, sleep, wound care, complex rehab, women’s health, home modifications, therapy, and orthotics and prosthetics providers. 3,000 providers with nearly 7,000 locations rely on VGM to connect them to valuable resources every single day. For more information, visit www.vgm.com.

About Leitten Consulting



Leitten Consulting specializes in assessing and understanding the future of healthcare and technology and creating opportunities for its clients to arrive at the future before the rest of the world. For more information, visit www.leitten.com/consulting.