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Thomas target of Medicare benefits ads

VIC POLLARD, Californian Sacramento Bureau-mail: vpollard@bakersfield.com
<<mailto:vpollard@bakersfield.com>>

An Iowa firm that represents thousands of medical oxygen suppliers across the country has launched a sharp attack on Rep. **Bill Thomas** this week with expensive television ads and slick brochures mailed to Kern County voters. The firm and its member businesses are upset about reductions in Medicare spending for home oxygen equipment sought by Thomas.

The ads and brochures accuse Thomas of trying to cut Medicare benefits.

But a Thomas spokesman and Medicare officials say the providers are trying to protect a controversial payment plan that often compensates them for several times the cost of equipment they rent to patients.

"Medicare and seniors should not continue to pay for equipment that has been more than paid for," said Thomas spokesman Vince Fong.

The campaign features an elderly man identified only as Jene, a U.S. Air Force veteran, saying he fought for his country and raised a family. "Now **Bill Thomas** wants to cut my Medicare benefits," he says. "What can I do?"

Viewers and readers are urged to call Thomas and protest.

The anti-Thomas campaign is sponsored by Last Chance for Patient Choice, a new nonprofit group formed by a Waterloo, Iowa, company called The VGM Group, according to VGM's Web site.

VGM serves more than 2,000 small local home oxygen suppliers with affordable insurance, equipment purchases and lobbying services, said John Gallagher, a VGM vice president.

The main target is not Medicare benefits generally but a provision in the pending federal budget balancing bill that would put a 36-month limit on the rental of home oxygen equipment for Medicare patients. After 36 months of continuous rental, ownership of the equipment would be transferred to the patients.

They are also upset about a provision in the already-passed Medicare prescription drug plan that will phase in competitive bidding for home oxygen equipment over the next several years.

Currently, Medicare rents oxygen equipment for as long as the patient needs it. Medicare pays 80 percent of the cost and the patient pays 20 percent. Medicare also pays for the oxygen, if needed, under the same cost split.

In recent years, that practice has come under increasing fire from critics who say rental payments frequently amount to several times the actual cost of the equipment.

The most commonly prescribed device is an oxygen concentrator, which enriches the oxygen content of air. The machines cost about \$1,000, officials say. They are rented under Medicare for

about \$200 a month, with \$40 of that coming from the patient. The purchase price is recouped after about five months, but the average length of rental is about 30 months, according to Medicare figures.

The oxygen suppliers say the rental fees cover not only the cost of the machine, but maintenance and patient support service by the providers.

Gallagher said those services will not be available if the machines are transferred to patient ownership.

Medicare officials disagreed, saying Medicare would continue to pay for maintenance and liquid oxygen, if needed.

Thomas

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