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U.S. House of Representatives
Committee on Commerce
 Room 2125, Rayburn House Office Building
 Washington, DC 20515-6115

October 20, 2000

JAMES E. DERDERIAN, CHIEF OF STAFF

The Honorable J. Dennis Hastert
 The Speaker
 Room H-232 The Capitol
 U.S. House of Representatives
 Washington, D.C. 20515

Dear Mr. Speaker:

We each have different concerns with various aspects of the Balanced Budget Relief Act of 2000, but today we are writing to express our joint concerns about a provision relating to the Medicare appeals process. We understand the intent of this provision is to improve the appeals process for Medicare fee-for-service beneficiaries, but this language as written could make patients worse off than they are today.

This proposal runs afoul of the principles embodied in many of the patient protection bills that have been considered this Congress, including the Bipartisan Managed Care Improvement Act that we coauthored. Most immediately troubling is the standard for reviewing beneficiary appeals when coverage is denied. While we applaud the creation of an external review process, we believe the process should be truly independent and impartial. Under this provision, the independent reviewers who review these appeals would be bound by random coverage decisions made by the fiscal intermediaries and carriers (insurance companies), even if these decisions were inappropriate to the medical condition of the patient. These generalized coverage decisions may not be appropriate when there are particular complicating individual circumstances or medical conditions present that were not anticipated by the guideline. The Bipartisan Managed Care Improvement Act, which passed with an overwhelming bipartisan majority in the House, allows reviewers to consider, but not be bound by, health plans' coverage guidelines, thereby allowing reviews to focus on the needs of the individual patient.

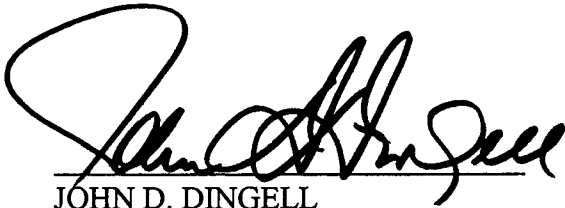
Further, the process outlined in the Balanced Budget Restoration Act places beneficiaries and providers into the same system, which we believe to be a flawed approach. We agree that providers need access to a system on behalf of particular patients. We do not believe they should be able to use the patient appeals system to obtain coverage decisions for procedures, services, or devices that do not relate to a particular patient's treatment.

The Honorable J. Dennis Hastert
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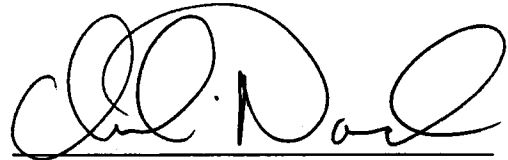
The major changes to the Medicare appeals process envisioned in the Balanced Budget Relief Act of 2000 merit careful consideration and detailed discussion. Until now, this proposal has only been an afterthought included in unrelated legislation, such as prescription drugs, where it was out of the spotlight. Specific deliberation on this proposal is needed because of the significant consequences for the Medicare program, beneficiaries, and providers.

We urge you to ensure that this provision is not included in legislation this year. We intend to work next year to reform the Medicare appeals process so that it adequately protects seniors and is workable for all parties.

Sincerely,



JOHN D. DINGELL
RANKING MEMBER
COMMITTEE ON COMMERCE



CHARLIE NORWOOD
MEMBER
COMMITTEE ON COMMERCE