



June 25, 2021

The Honorable Brian Kemp
Governor
State of Georgia
State Capitol
206 Washington St., Suite 203
Atlanta, GA 30334

Dear Governor Kemp,

The **Georgia Association of Medical Equipment Suppliers (GAMES)** and the American Association for Homecare (AAHomecare) are **writing to request that as your administration deliberates how to prioritize the American Rescue Plan Act recovery funding to the state, the home medical equipment (HME) community be considered as a recipient of these important state dollars.**

The HME industry has played a vital role in serving the most vulnerable Georgians during this pandemic and, like others in the health care sector, we have been hit hard by rising costs and the challenges of serving patients under extraordinary conditions. These funds are vital for us to ensure we can continue to serve our patients, especially those who have suffered from COVID-19 or have been unable to leave their homes.

Our members supply home oxygen therapy, ventilator services, complex rehabilitation technology (CRT) and many other medically necessary HME items and services that allow patients to be discharged from hospitals, nursing homes and other health care facilities to continue their care in the home setting.

Our state's HME providers have been engaged at the front lines of the ongoing pandemic, especially in support of Georgia's Medicaid enrollees, ensuring they can manage their short-term or chronic healthcare challenges in their homes. HME providers have played a vital part in not only keeping our state's most vulnerable residents out of the hospital setting but also ensuring that those recovering from COVID-19 can access home oxygen and ventilator services on an outpatient basis. In addition, our providers have made sure that certified respiratory therapists care for these patients in their homes. These efforts have helped reduce the intense pressure on hospitals and clinicians during the pandemic.

As has been the case for other parts of the health care sector, the pandemic has caused costs for HME providers to increase drastically. The acquisition costs of the equipment are rising dramatically due to supply availability and supply chain disruption. This does not include the personal protective equipment (PPE), costs which have skyrocketed, and are vital to protecting patients and employees while providing services in a home-based setting. At the same time, staffing costs have increased due to the need to use contract staffing and pay retention bonuses to keep existing employees. Payment levels have not been adjusted to reflect these increases and with our narrow margins – especially for those we serve on Medicaid – suppliers

find themselves in a precarious financial position. Many in the HME community are small businesses and have had difficulty weathering these challenges from the pandemic.

Home medical equipment providers meet the qualifications and intended use for relief provided under the American Rescue Plan, particularly as detailed out in these sections of the legislation under *Subtitle M – Coronavirus State and Local Fiscal Recovery Funds*.

In particular, Sec. 602 (a) (1) states that \$219.8 billion in funding “made available to mitigate the fiscal effects stemming from the public health emergency with respect to the Coronavirus Disease (COVID–19).” HME suppliers have had to contend with higher product costs and new operational expenses – which cannot be passed along to customers under fixed payment rates of Medicare, Medicaid and other payers.

Section 603 also makes the case for relief funding for entities who have responded to the public health emergencies and for premium pay for essential healthcare workers who have helped meet the extraordinary COVID-19 challenge. This cohort that certainly should include HME professionals who have provided home-based respiratory support and other essential home-based products and services.

Therefore, we ask that you consider using some of the American Recovery Act federal funding to the state to support the home medical equipment community now that the state has received guidance on the use of the funds from the U.S. Department of Treasury. With the **\$4.8 billion** allocated to our state, we request that **the state mandate the department to allocate a one-time funding amount equaling 10% of the total paid claims for the DMEPOS benefit for dates of service 3/6/2020 through 4/30/2021**. The use of this funding being designated for the DME industry will be utilized to help with increased PPE costs, payroll and benefit increases for our frontline staff, support for our members who are small businesses, and premium payments for our workers who have worked tirelessly since the beginning of the pandemic to ensure those that we help received our essential services. This request represents ten percent of the total DMEPOS spend for the Medicaid program in Georgia and will help offset the increased costs we have incurred during this time.

We request a meeting with you and your staff to discuss the details of our request and provide supplemental information in support of this request. GAMES and AAHomecare would like to be a partner in the process and help the state ensure we can continue to serve those who are homecare dependent in their daily lives. Thank you for your consideration.

Sincerely,

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cc: State Representative Terry England, Appropriations Chair; State Representative Butch Parrish, Chair, Health Appropriations; State Representative Darlene Taylor, Vice-Chair, Health Appropriations; State Representative Sharon Cooper, Chair, Health & Human Services; State Representative Mark Newton, Vice-Chair, Health & Human Services; State Senator Dean Burke, Chair, Appropriations Subcommittee of Community Health; and State Senator Ben Watson, Chair, Health & Human Services.