



## The Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program



*What You Need to Know*

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### What is DMEPOS?

- DMEPOS stands for
  - Durable Medical Equipment
  - Prosthetics
  - Orthotics
  - Supplies
- Equipment/supplies covered under Medicare Part B

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### Competitive Bidding– A Better Way to Pay

- Program will help people with Medicare
  - Save money
  - Get quality equipment, supplies and services
- Program strengthens protections against Medicare fraud

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## History of Competitive Bidding

- Program builds on successful demonstrations
- The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) mandated the development and implementation of the program
- The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) made limited changes
- The Affordable Care Act expanded the program

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## How the Program Works

- DMEPOS suppliers submit bids
  - Suppliers must submit a bid to be awarded a contract
- Medicare uses bids to determine payments
- Contracts will be awarded to sell/rent DMEPOS
- “Contract suppliers” will be those who
  - Offer the most competitive price
  - Meet eligibility, quality, and financial standards
  - Are accredited by an independent organization

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## How the Program Works

- Only contract suppliers will be able to
  - Provide competitively bid DMEPOS items
  - File claims with Medicare for payment of competitively bid items and services
- Contract supplier charge cannot exceed
  - Single payment amount based on bids received for an item
  - Medicare fee schedule allowed amount

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## Round 1

- January 1, 2011 in 9 areas
- First year savings = \$202.1 million
- Round 1 contracts being recompleted in the same areas

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## Round 2

- Competitive Bidding Program will expand
  - Round 2
    - 91 Metropolitan Statistical Areas (MSAs)
    - Target effective date July 1, 2013
  - National Mail-Order Program

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## Products Included in Round 1

Products Included in Round 1
Oxygen, oxygen equipment, and supplies
Enteral nutrients, equipment, and supplies
Continuous Positive Airway Pressure (CPAP) devices and Respiratory Assist Devices (RADs), and related supplies and accessories
Hospital beds and related accessories
Walkers and related accessories
Support surfaces (Group 2 mattresses and overlays) (in Miami area only)
Standard power wheelchairs, scooters, and related accessories
Complex rehabilitative power wheelchairs and related accessories (Group 2)
Note: Round 1 mail-order diabetic supply contracts ended on December, 31 2012

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## Products Included in Round 2\*

Products Included in Round 2
Oxygen, oxygen equipment, and supplies
Enteral nutrients, equipment, and supplies
Continuous Positive Airway Pressure (CPAP) devices and Respiratory Assist Devices (RADs), and related supplies and accessories
Hospital beds and related accessories
Walkers and related accessories
Support surfaces (Group 2 mattresses and overlays)
Standard (power <b>and manual</b> ) wheelchairs, scooters, and related accessories
<b><i>Negative pressure wound therapy pumps and related supplies and accessories</i></b>

\*Changes from Round 1 to Round 2 in Bold Italics

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## Products Included in Round 1 Recompete

Products Included in Round 1 Recompete
Respiratory Equipment and Related Supplies and Accessories <ul style="list-style-type: none"> <li>includes oxygen, oxygen equipment and supplies; continuous positive airway pressure (CPAP) devices and respiratory assist devices (RADs) and related supplies and accessories; and standard nebulizers</li> </ul>
Standard Mobility Equipment and Related Accessories <ul style="list-style-type: none"> <li>includes walkers, standard power and manual wheelchairs, scooters, and related accessories</li> </ul>
General Home Equipment <ul style="list-style-type: none"> <li>includes hospital beds and related accessories, group 1 and 2 support surfaces, transcutaneous electrical nerve stimulation (TENS) devices, commode chairs, patient lifts, and seat lifts</li> </ul>
Enteral Nutrients, Equipment and Supplies
Negative Pressure Wound Therapy Pumps and Related Supplies and Accessories
External Infusion Pumps and Supplies

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## National Mail Order Program for Diabetic Testing Supplies

- Targeted to go into effect at the same time as Round 2
- Includes all parts of the United States:
  - The 50 States
  - The District of Columbia
  - Puerto Rico
  - The US Virgin Islands
  - Guam
  - American Samoa

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## Who will be Affected?

- Beneficiaries who have Original Medicare and
  - Permanently reside in a ZIP Code in a CBA
  - Obtain competitive bid items while visiting a CBA
- To find out if a ZIP Code is in a Competitive Bidding Area (CBA)
  - Call 1-800-MEDICARE (1-800-633-4227)
    - TTY users call 1-877-486-2048
  - Visit [www.dmecompetitivebid.com](http://www.dmecompetitivebid.com)
- Medicare Advantage enrollees can use suppliers designated by their plan

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### Round 1 MSAs

California	Riverside, San Bernardino, Ontario
Florida	Miami, Fort Lauderdale, Pompano Beach
Florida	Orlando, Kissimmee
Missouri and Kansas	Kansas City
North and South Carolina	Charlotte, Gastonia, Concord
Ohio	Cleveland, Elyria, Mentor
Ohio, Kentucky, Indiana	Cincinnati, Middletown
Pennsylvania	Pittsburgh
Texas	Dallas-Fort Worth, Arlington

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### Region VII: Round 2 MSAs

<b>Iowa</b>	<ul style="list-style-type: none"> <li>• Omaha-Council Bluffs, NE-IA</li> </ul>
<b>Kansas</b>	<ul style="list-style-type: none"> <li>• Wichita, KS</li> </ul>
<b>Missouri</b>	<ul style="list-style-type: none"> <li>• St. Louis, MO-IL</li> </ul>
<b>Nebraska</b>	<ul style="list-style-type: none"> <li>• Omaha-Council Bluffs, NE-IA</li> </ul>

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## Region VII: Omaha-Council Bluffs, NE-IA



Source: Missouri Competitive Bidding Implementation Contractor (CBIC) Sur Data, 7/18/2011

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## Using Contract Suppliers

- Must almost always use contract supplier if
  - Items and services are included in Competitive Bidding Program where a beneficiary lives in a CBA
  - Traveling to or visiting a CBA
- Doctors, treating practitioners, and hospitals can supply certain items (ex: walkers or folding manual wheelchairs)
- Nursing Facility can only supply directly if it becomes a contract supplier

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## Identifying Contract Suppliers

- Visit the DMEPOS Supplier Locator tool
  - [www.medicare.gov/supplier](http://www.medicare.gov/supplier)
- Call 1-800-MEDICARE (1-800-633-4227)
  - TTY users call 1-877-486-2048

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### Stay With Current Supplier

- Can stay with current non-contract supplier if all of the following
  - Supplier elects to be “grandfathered”
  - Beneficiary permanently resides in a CBA
  - Renting certain equipment or oxygen when program starts in CBA
- If current non-contract supplier elects not to be “grandfathered”
  - Must switch to a contract supplier

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### “Grandfathered” Supplier

Supplier

- Issues prior written notice confirming desire to continue services
- Works with contract supplier to get new equipment to beneficiary

Beneficiary

- May continue getting services until rental period ends OR
- Must switch to a contract supplier

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### Have Other Insurance?

- Medicare may make payment to a non-contract supplier if required by policy
- Non-contract supplier must
  - Be accredited
  - Have valid Medicare billing number
  - Be eligible to receive secondary payments

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## Non-contract Supplier

- If in CBA, a non-contract supplier may not furnish bid items
- If non-contract supplier used, supplier must issue Advance Beneficiary Notice (ABN)
  - Says Medicare will not pay
  - By signing, beneficiary agrees to pay entire amount
  - If no ABN signed, beneficiary not responsible for payment

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## Traveling Beneficiaries

To CBA:

- Must use contract supplier
  - If non-contract supplier used, supplier must issue Advance Beneficiary Notice (ABN)
  - If no ABN signed, beneficiary not responsible for payment

To non-CBA:

- Can use any Medicare-enrolled supplier

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## Traveling Beneficiaries Scenario

### Obtaining DMEPOS items while traveling

Mildred's permanent residence is in Alaska (which is not a Competitive Bidding Area), but she travels to Miami, FL. While she's in Miami, she needs supplies for her Continuous Positive Airway Pressure (CPAP) device. Since Miami is in a Competitive Bidding Area, Mildred must buy the supplies from a contract supplier. If Mildred wants to obtain the supplies from a non-contract supplier, the supplier must have her sign an Advance Beneficiary Notice (ABN). The ABN says Medicare probably won't pay for the supplies. By signing this notice, Mildred agrees to pay for the supplies.

If Mildred travels to Montana, which is not a Competitive Bidding Area, she may purchase her CPAP supplies from any Medicare-enrolled supplier of durable medical equipment, prosthetics, orthotics and supplies.

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### Specific Brands

- Doctor must prescribe in writing
- Medical record must reflect need
- Contract supplier must
  - Furnish the specific brand or form as prescribed OR
  - Work with doctor or treating practitioner to find suitable alternative OR
  - Help locate another contract supplier that can furnish the specific brand or form as prescribed

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### Equipment Repair & Replacement

- For owned medical equipment
  - Any Medicare-enrolled supplier can make necessary repairs
  - For replacement must use contract supplier
  - For warranty repairs, follow the warranty rules
- For rented equipment
  - Repairs are included in rental payment– the supplier must fix at no charge

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### Deductible and Coinsurance

- After beneficiaries pay their annual Part B deductible
  - Medicare pays 80% of the Medicare-approved amount for equipment, supplies and services
  - Beneficiaries are responsible for a 20% coinsurance
- Contract suppliers cannot bill for more than these amounts
- For suspected overpayment or fraud call
  - 1-800-MEDICARE (1-800-633-4227)
    - TTY users call 1-877-486-2048
  - Fraud Hotline of the HHS Office of Inspector General at 1-800-447-8477.

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### Points to Remember

- Program does NOT affect which physicians or hospitals beneficiaries use
- May need to change DMEPOS supplier for Medicare to pay
- May be able to stay with current supplier if renting from supplier who elects to be “grandfathered”
- If in Medicare Advantage plan, beneficiary should check with the plan

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### What Beneficiaries Need To Do

- Beneficiaries who live in or will visit a CBA and need medical items included in the program, should
  - Find out if the ZIP Code where they live or visit is included in a CBA
  - Find out if the items they need are included in the Medicare Competitive Bidding Program in that area
  - Find out which suppliers are contract suppliers for their items for the Medicare Competitive Bidding Program
- Visit [www.medicare.gov](http://www.medicare.gov) or
- Call 1-800-MEDICARE (1-800-633-4227) to find this information
  - TTY users call 1-877-486-2048

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### Questions?

- Visit [www.medicare.gov/supplier](http://www.medicare.gov/supplier)
  - DMEPOS Supplier Locator Tool
- Visit [www.medicare.gov](http://www.medicare.gov) website
  - Consumer information
- Call 1-800-MEDICARE (1-800-633-4227)
  - TTY users should call 1-877-486-2048
- Beneficiary’s physician or supplier
- Medicare’s local information resources (SHIPs, ACL, etc)

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