

*Durable Medical Equipment, Prosthetics,
Orthotics, and Supplies*

DMEPOS Competitive Bidding Program



Agenda

- Program Overview
- History
- Program Protections
- Payment Policies
- Resources

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 Program – A Better Way to Pay

- Bidding process sets Medicare payment lower than previous amounts
- Helps people with Medicare:
 - Save money
 - Get quality equipment, supplies and services
- Strengthens protections against Medicare fraud
 - Fraud Hotline: 1-800-447-8477

History of Program

- Built on successful demonstration projects
- The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MIPPA) mandated the development and implementation of the program
- The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), delayed the program and made limited changes
- Patient Protection and Affordable Care Act expanded the program

Program Protections

- Contract suppliers must furnish bid items throughout entire competitive bidding area (CBA).
- Contract suppliers must offer same items to Medicare beneficiaries as to non-Medicare customers
- Grandfathering allows for continuation of rental agreements in place before implementation
- Contract suppliers cannot charge beneficiaries more than cost sharing

Medicare in 2010 Current Topics

How New Program Works

- Only contract suppliers able to:
 - Provide certain 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

Who will be Affected?

- Beneficiaries who have Original Medicare and
 - Permanently reside in a ZIP code in a competitive bidding area (CBA)
 - Obtain competitive bid items while visiting a CBA
- To find out if a ZIP code is in a CBA:
 - Call 1-800-MEDICARE
 - Visit www.medicare.gov
- Medicare Advantage enrollees can use suppliers designated by their plan

Round 1 Rebid CBAs

- 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, and Indiana – Cincinnati, Middletown
- Pennsylvania – Pittsburgh
- Texas – Dallas-Fort Worth, Arlington

Products Included in the Program

1. Oxygen, oxygen equipment, and supplies
2. Standard power wheelchairs, scooters
3. Complex rehabilitative power wheelchairs – Group 2 only
4. Mail-order diabetic supplies
5. Enteral nutrients, equipment, and supplies
6. Continuous Positive Airway Pressure (CPAP) devices and Respiratory Assist devices (RADs)
7. Hospital beds and related accessories
8. Walkers and related accessories
9. Support Surfaces (Group 2 mattresses and overlays) in Miami only

Exemptions

- Physicians and Other Practitioners
 - No requirement to bid if bid item provided as part of professional services
 - Bid item limited to walkers
 - KV modifier
- Hospitals
 - No requirement to bid if item provided upon discharge as part of inpatient stay
 - Bid item limited to walkers
 - Hospital-owned DME suppliers not exempt from bidding
 - J4 modifier

Medicare in 2010 Current Topics

Identifying Contract Suppliers

- Call 1-800-MEDICARE (1-800-633-4227)
- TTY users call 1-877-486-2048
- Visit www.medicare.gov/supplier
 - DMEPOS Supplier Directory

Stay With Current Supplier

- Beneficiary can stay with current non-contract supplier if all of the following:
 - Supplier elects to be “grandfathered”
 - Beneficiary permanently resides in a CBA
 - Renting the equipment before January 1, 2011
- If current non-contract supplier elects not to be “grandfathered”
 - Must switch to a contract supplier

“Grandfathered” Supplier

Supplier

- Issues prior written notice to beneficiary confirming desire to continue services

Beneficiary

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

Grandfathering Scenario 1

George lives in Kansas City, MO (which is in a competitive bidding area) and is renting oxygen equipment from his supplier. His supplier was not awarded a contract with Medicare under the new Competitive Bidding Program. George's supplier decides to become a "grandfathered" supplier which means the supplier can continue to furnish the oxygen items and receive the new Medicare payment amounts under the Competitive Bidding Program. George may continue receiving his oxygen items from the grandfathered supplier until his contract ends or there is no longer a medical need.

If Not "Grandfathered" Supplier

- Supplier
 - Issues prior written notice to beneficiary confirming desire to discontinue services
 - Picks up equipment and coordinates with new contract supplier
- Beneficiary
 - Must switch to contract supplier
 - Retains documentation of pick-up

Have Other Insurance?

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

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)
- ABN:
 - Says Medicare will not pay
 - By signing, beneficiary agrees to pay entire amount
 - If does not sign ABN, beneficiary not responsible for payment

Grandfathering Scenario 2

Betty lives in Cincinnati, OH (which is in a Competitive Bidding Area) and is diagnosed with sleep apnea. Her doctor prescribes a Continuous Positive Airway Pressure (CPAP) device. If Betty wants to buy the item from a non-contract supplier, the supplier must have her sign an Advance Beneficiary Notice (ABN). The ABN says Medicare won't pay for the item. By signing this notice, Betty agrees to pay for the CPAP device.

If Betty purchases the CPAP device from a non-contract supplier, and she wasn't informed in writing of the Competitive Bidding Program rules before receiving the item, she is not responsible for payment.

Traveling Beneficiaries

To CBA:

- Must use contract supplier:
 - If non-contract supplier used, supplier will issue Advance Beneficiary Notice (ABN)
 - If not sign ABN, beneficiary not responsible for payment

To non-CBA:

- Can use any Medicare-enrolled supplier

Traveling Beneficiary Scenario 3

Mildred's permanent residence is in Rhode Island (which is not a Competitive Bidding Area), but she travels to Miami, FL. While she's in Miami, her doctor prescribes a Continuous Positive Airway Pressure (CPAP) device. Since Miami is in a Competitive Bidding Area, Mildred must receive the CPAP device from a contract supplier. If Mildred wants to buy the CPAP device 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 item. By signing this notice, Mildred agrees to pay for the CPAP device.

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

Specific Brands

- Treating practitioner 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

Equipment Repair & Replacement

- For beneficiary owned medical equipment
 - Any Medicare-enrolled supplier can make necessary repairs or provide replacement parts
 - For complete replacement, must use contract supplier
 - Owned medical equipment includes:
 - Items purchased by beneficiary
 - Items for which beneficiary took the purchase option within the rental period

Repair and Replacement Scenario 4

Elaine has a wheelchair and lives in Dallas, TX (which is in a Competitive Bidding Area). The wheel on her chair breaks and she needs to have it repaired. She may have her wheelchair repaired by either a contract supplier or by any Medicare-enrolled, non-contract supplier.

If Elaine's wheelchair needs a replacement part, she may have the replacement part installed by either a contract supplier or any Medicare-enrolled, non-contract supplier.

If it is determined that Elaine's wheelchair cannot be repaired and she needs a new wheelchair, she must receive it from a contract supplier for the competitive bidding area.

Points to Remember

- Program does NOT affect which physician or hospital beneficiary may choose to use
- Physician not required to be a contract supplier
- Beneficiary may need to change DMEPOS supplier to receive Medicare payment
- Beneficiary may be able to stay with current supplier if renting from supplier who elects to be a “grandfathered” supplier
- If in Medicare Advantage plan, check plan

What Beneficiaries Need To Do

- If a beneficiary lives in or visits a CBA and needs medical items included in the program:
 - Find out if the ZIP code is included in a CBA
 - Find out which suppliers are contract suppliers in that area
- Visit www.medicare.gov or call 1-800-MEDICARE for this information

Resources

- CMS Web site
 - www.cms.gov/DMEPOScompetitivebid
- Competitive Bidding Implementation Contractor
 - (877) 577-5331
 - www.dmecompetitivebid.com
- Part A/B MAC (Medicare Administrative Contractor)
- 1-800-MEDICARE
- Medicare Web site www.medicare.gov
 - Supplier Directory
 - Consumer information