



Information Partners Can Use on:

Medicare's Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program

July 2009

What is Medicare's Durable Medical Equipment Competitive Bidding Program?

Under this program, suppliers submit competitive bids for certain medical equipment and supplies. Medicare uses these bids to determine the amount Medicare pays for those equipment and supplies in certain areas of the country. The program will help taxpayers and people with Medicare save money; ensure that people with Medicare have access to certain quality medical equipment, supplies, and services; and help limit fraud and abuse in the Medicare Program.

Competitive bidding is designed to ensure there are enough suppliers to meet the expected demand for certain medical equipment and supplies in the competitive bidding areas.

How does this program work?

Starting in Fall 2009, suppliers will submit bids to supply certain types of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) items in the competitive bidding areas to people with Medicare. In mid-2010, contracts will be awarded to suppliers that submit bids to supply items at competitive prices; that meet Medicare's eligibility, quality, and financial standards; and that are accredited by an independent accrediting organization. These suppliers are called "contract suppliers."

In most cases, only contract suppliers will be able to provide competitively-bid DMEPOS items in the competitive bidding areas and file claims with Medicare for payment. Contract suppliers can't charge more than the single payment amount set by Medicare for these competitively bid items. These amounts are based on the bids received for an item. This price can't be higher than the current Medicare-allowed amount (fee schedule).



Does the program affect people with Medicare now?

No. The program was in place briefly in 2008 for 10 metropolitan areas. The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), enacted on July 15, 2008, delayed and made limited changes to the program. People with Medicare can continue to get their Medicare-covered equipment and supplies from **any Medicare-approved supplier** until prices go into effect in 9 metropolitan areas in 2011.

When will people with Medicare be affected by this program, and in what areas?

Starting in 2011 in selected areas, people with Medicare will need to use Medicare-contract suppliers in most situations to buy or rent competitively-bid DMEPOS equipment or supplies for Medicare to pay. People will need to use these contract suppliers if they live in (or get the items while visiting) certain ZIP codes in these areas:

- **California**—Riverside, San Bernardino, Ontario
- **Florida**—Miami, Fort Lauderdale, Miami Beach
- **Florida**—Orlando
- **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

Note: San Juan, Puerto Rico, which was included in the 2008 program, won't be included when the program restarts in 2011.



What kinds of items are included?

This new program includes the following items:

- Oxygen supplies and equipment
- Standard power wheelchairs, scooters, and related accessories
- Complex rehabilitative power wheelchairs and related accessories (Group 2)
- Mail-order diabetic 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 (certain mattresses and overlays) in Miami, Fort Lauderdale, and Miami Beach only

Note: Negative pressure wound therapy (NWPT) items and services, and Group 3 complex rehabilitative power wheelchairs, which were included in the 2008 program, **won't** be included when the program restarts in 2011.

For more information, visit www.medicare.gov, or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.