

Centers for Medicare & Medicaid Services

Medicare Competitive Acquisition Ombudsman

2009 Report to Congress



Tangita Daramola
Acting Competitive Acquisition Ombudsman

A MESSAGE FROM THE ACTING MEDICARE COMPETITIVE ACQUISITION OMBUDSMAN

It was once said that the moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life, the sick, the needy and the handicapped. - Hubert H. Humphrey

I am pleased to present the Medicare Competitive Acquisition Ombudsman's (CAO) 2009 Annual Report to Congress.

As a newly established Ombudsman Program within the Centers for Medicare & Medicaid Services (CMS), we play a vital role in ensuring timely responses to inquiries and complaints and providing a report on activities to Congress. In addition, we help to make the Agency aware of any systemic issues or problems that may impact services. This report details the efforts of CMS to establish the operational functionality of the CAO, including developing systems and processes to facilitate customer services for suppliers and individuals to ensure the highest quality of services.

Over the past year, we supported CMS in its efforts to prepare Medicare stakeholders for program implementation by participating in a broad range of internal and external partner meetings to inform the strategy for developing a comprehensive process for communicating timely responses regarding the application of the Competitive Bidding Program. Working within the CMS Office of External Affairs and Beneficiary Services, Medicare Ombudsman Group, the CAO team worked with the Agency partnership, communications, and policy components to meet with external stakeholders regarding the program implementation, to assess Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding complaint processes, develop an issues management and trending framework, and to formulate the communications strategy for the CMS web pages that would establish the role of the CAO for suppliers and individuals to submit inquiries and complaints.

We are committed to providing quality assistance to suppliers and individuals in facilitating the resolution of complaints and inquiries and the broader understanding of the DMEPOS Competitive Bidding Program, while assisting CMS in ensuring access to important Program information.

I will continue to collaborate with others throughout CMS to identify emerging issues and facilitate the resolution of potential systemic problems as the DMEPOS Competitive Bidding Program moves into implementation.



Tangita Daramola
Acting Medicare Competitive Acquisition Ombudsman

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EXECUTIVE SUMMARY

The following report reflects activities for the period beginning January 1, 2009 to December 31, 2009.

Pursuant to Section 1847(f) of the Social Security Act (the Act), as revised by Section 154 of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), the Medicare Competitive Acquisition Ombudsman (CAO) was created within the Centers for Medicare & Medicaid Services (CMS). The CAO's primary functions are to:

- Respond to inquiries and complaints received from suppliers and individuals regarding the application of the DMEPOS Competitive Bidding Program; and
- Submit an annual report to Congress that describes its activities.

In implementing the CAO program, Tangita Daramola collaborated with other organizations, both within and outside CMS, to facilitate the establishment of processes to respond to complaints and inquiries from suppliers and individuals, to assist in developing an outreach communication plan, to assess the processes for responding to complaints and inquiries with respect to the application of the Competitive Bidding Program, to develop an issues management and trending framework, and to design a preliminary CAO web page.

The Annual Report is composed of six primary sections:

- 1) **The Executive Summary** is a high-level synopsis of this Annual Report;
- 2) **The DMEPOS Competitive Bidding Program's Legislative History** provides a legislative overview of the Competitive Bidding Program and defines the need for establishing the CAO;
- 3) **Establishment and Jurisdiction** discusses the primary functions of the CAO, its mission, vision and proposed impact of the CAO, its position within CMS, how it works within that structure, and the ways in which it works to maintain balance and fairness on behalf of suppliers and individuals in the inquiries and complaints process;
- 4) **Activities** describes the various functions, programs, and initiatives in which the CAO engaged during the reporting period;
- 5) **Key Challenges** outlines some of the obstacles the CAO faces; and
- 6) **Looking to the Future** provides a forward-looking summary of those activities in which the CAO plans to engage over the next year and beyond.

The CAO's organizational positioning within CMS' Office of the Medicare Beneficiary Ombudsman (OMO) provides it with a unique opportunity to identify and respond to DMEPOS Competitive Bidding inquiries and complaints from suppliers and people with Medicare.

THE DMEPOS COMPETITIVE BIDDING PROGRAM

A Legislative History of the DMEPOS Competitive Bidding Program

Provisions of Section 1847 of the Social Security Act

Section 1847 of the Act, as amended by Section 302(b)(1) of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA), required the Secretary to establish and implement a Medicare Competitive Bidding Program. Under the Competitive Bidding Program, Medicare sets payment amounts for select DMEPOS items and services furnished to beneficiaries in competitive bidding areas (CBAs) based on bids submitted by qualified suppliers and accepted by Medicare. For competitively bid items, these new payment amounts, referred to as “single payment amounts,” replace the fee-schedule payment methodology.

Section 1847(b)(5) of the Act provides that Medicare payments for these competitively-bid items and services are made on an assignment-related basis equal to 80% of the applicable single-payment amount, less any unmet Part B deductible described in Section 1833(b) of the Act. Section 1847(b)(2)(A)(iii) of the Act prohibits the awarding of contracts to any entity unless the total amounts to be paid to contractors in a CBA are expected to be less than the total amounts that otherwise would be paid under the fee-schedule methodologies set forth in Section 1834(a) of the Act.

This requirement guarantees savings both to the Medicare Program and to Medicare beneficiaries. The Competitive Bidding Program also includes provisions to ensure beneficiaries access to quality DMEPOS items and services; Section 1847 of the Act limits participation to suppliers who have met applicable quality and financial standards and requires the Secretary to maintain beneficiaries’ access to multiple suppliers.

Phasing-in the DMEPOS Competitive Bidding Program

When first enacted by Congress, Section 1847(a)(1)(B) of the Act required the Secretary to phase-in the Competitive Bidding Program in a manner so that competition under the Program occurred in 10 of the largest metropolitan statistical areas (MSAs) in 2007. The Program was to expand into 70 additional MSAs in 2009, and to expand into additional areas after 2009. In the May 1, 2006 Federal Register (72 FR 25654), a rule was proposed that would implement the Competitive Bidding Program for certain DMEPOS items and services. In the April 10, 2007 Federal Register (72 FR 17992), a final rule was issued addressing the comments on the proposed rule and establishing the regulatory framework for the Medicare DMEPOS Competitive Bidding Program, in accordance with Section 1847 of the Act.

Consistent with the requirements of Section 1847 and competitive bidding regulations, CMS began the implementation of the Competitive Bidding Program by conducting the first round of competition in 10 of the largest MSAs in 2007. Competition was limited during this first round

of the Program to DMEPOS items and services included in 10 selected product categories. The bidding window opened on May 15, 2007, and was extended to allow bidders adequate time to prepare and submit their bids. Each submission was evaluated and contracts were awarded consistent with the requirements of Section 1847(b)(2) of the Act. Following the bid evaluation process, over 329 contracts were awarded to qualified suppliers.

Implementation and Subsequent Delay of the DMEPOS Competitive Bidding Program

Round One of the Competitive Bidding Program was implemented on July 1, 2008. Beginning on that date, Medicare Part B payment for competitively-bid DMEPOS items and services furnished in the first 10 CBAs was generally limited to items and services furnished by contract and grandfathered suppliers, and payment to these suppliers was based on the single payment amount, as determined under the competitive bidding regulations. The Program was projected to result in a savings of approximately 26% annually to the Medicare Program and Medicare beneficiaries. These projections were calculated by subtracting the single payment amount from the applicable fee schedule amount per CBA per item and then multiplying this amount by the weighted national utilization data.

On July 15, 2008, the Medicare Improvements for Patients and Providers Act (MIPPA) was enacted. Section 154 of MIPPA amended Section 1847 of the Act to make certain limited changes to the Medicare DMEPOS Competitive Bidding Program. Section 154(a) of MIPPA delays competition under the Competitive Bidding Program and amends Section 1847 (a)(1)(D)(i) of the Act to terminate the competitive bidding contracts, effective June 30, 2008, and prohibit payment based on the contracts. This action effectively reinstated as payment for competitively bid items and services the Medicare fee schedule amounts, as set forth in Section 1834 of the Act and 42 CFR Part 414, subpart D.

In light of the amendments, items that had been included in the first round of the Competitive Bidding Program once again could be furnished by any enrolled DMEPOS supplier, in accordance with existing Medicare rules. Payments for these items no longer would be made pursuant to competitive bidding contracts at the single payment amount, but instead would be based on the applicable Medicare fee schedule (including a 9.5% reduction for 2009) amount(s) based on the date of service. Section 154(a) of MIPPA requires the Secretary to conduct a second competition to select suppliers for Round 1 in 2009 (Round 1 Rebid).

The Round 1 Rebid included many of the same competitive bidding areas and the same items and services as the 2007 Round 1 competition, with certain exceptions. For example, the Round 1 Rebid excluded negative pressure wound therapy (NPWT) items and services, and excluded Puerto Rico. In addition, Section 154(a) of MIPPA permanently excluded group 3 complex rehabilitative wheelchairs from the Competitive Bidding Program by amending the definition of “items and services” in Section 1847(a)(2) of the Act. Suppliers, including suppliers that previously were awarded a competitive bidding contract, were required to submit bids to be considered for a contract under the Round 1 Rebid.

Section 154(a) of MIPPA also delayed competition for Round 2 of the Competitive Bidding Program from 2009 to 2011, and subsequent competition under the Competitive Bidding Program from 2009 until after 2011.

The Round 1 Rebid

MIPPA mandates certain changes to the bidding process, starting with the Round 1 Rebid. Section 154(a) of MIPPA adds a new paragraph to Section 1847(a)(1) of the Act, which sets forth a process for supplier feedback on missing financial documents. Pursuant to this requirement, suppliers who submit any financial documents by a date called the covered document review date will be notified within a specific time period if their bid submission is missing any of the required financial documents. Suppliers will be allowed to submit missing financial documents within 10 business days after this notice. Section 154(b)(2) of MIPPA amends Section 1847(b)(3) of the Act to require contract suppliers to notify CMS about subcontracting relationships into which they have entered for the purpose of furnishing items and services under the Competitive Bidding Program. Contract suppliers also must inform CMS whether each subcontractor meets the accreditation requirement set forth in Section 1834(a)(20)(F)(i) of the Act, if applicable to the subcontractor. Section 154(d) of MIPPA excludes from the Competitive Bidding Program certain durable medical equipment furnished by a hospital to the hospital's patients during an admission or on the date of discharge.

In addition to the changes outlined above, Section 154 of MIPPA made other changes to the Competitive Bidding Program, including the following:

- Exclusion of certain areas in subsequent rounds that are not already selected under Rounds 1 and 2;
- Extension of the Program Advisory and Oversight Committee (PAOC);
- Exemption for off-the-shelf orthotics from competitive bidding when provided by certain providers;
- Evaluation of certain Healthcare Common Procedure Coding System codes;
- A post-award audit by the Office of Inspector General;
- The establishment of a Competitive Acquisition Ombudsman; and
- A Government Accountability Office report on the results of the Competitive Bidding Program.

The changes specifically mandated for the Round 1 Rebid largely are self-implementing. MIPPA delayed the Competitive Bidding Program and required certain changes in subsequent competitions, but it did not alter the fundamental requirements contained in the Competitive Bidding Program statute and regulations, or revise the methodologies used in calculating

payment amounts and in selecting suppliers. Therefore, the same methodologies will be applied to calculate payment and select suppliers, and the current competitive bidding regulations published on April 10, 2007 will continue to provide the framework under which CMS will implement the Competitive Bidding Program. There are nine competitive bidding areas and nine product categories in the Round 1 Rebid:

Figure 1: ROUND 1 REBID – COMPETITIVE BIDDING AREAS

Round 1 Rebid – Nine Competitive Bidding Areas
1. Cincinnati – Middletown (Ohio, Kentucky and Indiana)
2. Cleveland – Elyria – Mentor (Ohio)
3. Charlotte – Gastonia – Concord (North Carolina and South Carolina)
4. Dallas – Fort Worth – Arlington (Texas)
5. Kansas City (Missouri and Kansas)
6. Miami – Fort Lauderdale – Pompano Beach (Florida)
7. Orlando (Florida)
8. Pittsburgh (Pennsylvania)
9. Riverside – San Bernardino – Ontario (California)

FIGURE 2: ROUND 1 REBID DMEPOS PRODUCTS

Round 1 Rebid – DMEPOS Products
1. Oxygen Supplies and Equipment
2. Standard Power Wheelchairs, Scooters, and Related Accessories
3. Complex Rehabilitative Power Wheelchairs and Related Accessories (Group 2 only)
4. Mail-Order Diabetic Supplies
5. Enteral Nutrients, Equipment and Supplies
6. CPAP, RADs, and Related Supplies and Accessories
7. Hospital Beds and Related Accessories
8. Walkers and Related Accessories
9. Support Surfaces (Group 2 mattresses and overlays in Miami only)

ESTABLISHMENT AND JURISDICTION OF THE CAO

Section 1847(f) of the Social Security Act, as revised by Section 154 of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), established the Centers for Medicare & Medicaid Services' (CMS) Competitive Acquisition Ombudsman (CAO):

The Secretary shall provide for a competitive acquisition ombudsman within the Centers for Medicare & Medicaid Services in order to respond to complaints and inquiries made by suppliers and individuals relating to the application of the competitive acquisition program under this section. The ombudsman may be within the office of the Medicare Beneficiary Ombudsman appointed under section 1808(c). The ombudsman shall submit to Congress an annual report on the activities under this subsection, which report shall be coordinated with the report provided under section 1808(c)(2)(c).

The language specifically states that the CAO is to respond to complaints and inquiries made by suppliers and individuals relating to the application of the Competitive Bidding Program. The CAO operates within the Office of the Medicare Beneficiary Ombudsman (OMO), mandated by Section 923 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), which added Section 1808(c) to the Social Security Act. Like the OMO, the CAO is organized within CMS' Office of External Affairs and Beneficiary Services and the Office of the Administrator. In accordance with Section 1847, the CAO must submit an Annual Report to Congress to report on its activities.

MIPPA established the CAO to support the DMEPOS Competitive Bidding Program. The CAO's goal is to provide a fair and balanced view of issues to CMS and to Congress, and to respond to complaints and inquiries. The CAO fulfills its mission by:

- Responding to complaints and inquiries made by suppliers and individuals relating to the application of the Competitive Bidding Program; and
- Providing an Annual Report to Congress that describes the activities of the CAO and, in the future, provides feedback and recommendations for improvements.

In addition, the CAO provides information to CMS to facilitate competitive bidding policy clarifications and/or changes, and to identify and address regulatory issues that affect the Competitive Bidding Program. The CAO is responsible for responding to complaints and inquiries made by suppliers and individuals relating to the application of the Competitive Bidding Program. To the extent that the CAO receives data information from these complaints and inquiries that would be helpful to CMS, it will use this information to identify potential systemic issues for the sole purpose of raising these issues to CMS.

The CAO was modeled after the Office of the Medicare Beneficiary Ombudsman (OMO), which was established in 2005. The primary function of the OMO is to provide assistance to people with Medicare on Medicare-related issues, such as complaints, grievances, inquiries, and appeals, and to provide recommendations for improvements in the administration of the Medicare Program. Although it is relatively new, the OMO has made considerable progress advancing its mission. For example, during 2007 and 2008, the OMO facilitated the processing

of over 63,000 inquiries and complaints from or on behalf of people with Medicare, and directly handled and/or responded to approximately 22,000 and 16,000 of these during those respective years. The CAO will leverage best practices among public-sector ombudsman, including the OMO, and private-sector ombudsman in order to fulfill its mission and provide optimal service to suppliers and individuals.

The CAO's Mission and Vision and Proposed Impacts

In establishing its program, the CAO developed mission and vision statements that will serve as a touchstone for CAO activities and initiatives going forward.

Mission

Provide quality responses to DMEPOS suppliers and individuals and unbiased reporting to Congress.

Vision

The CAO's vision is to ensure timely responses to supplier and individual inquiries and complaints and to provide the Agency with inquiry and complaint data that can be used to improve the Competitive Bidding Program.

The Proposed Impacts of the CAO

The CAO serves as a neutral voice for reporting to Congress different views regarding the DMEPOS Competitive Bidding Program. The CAO will:

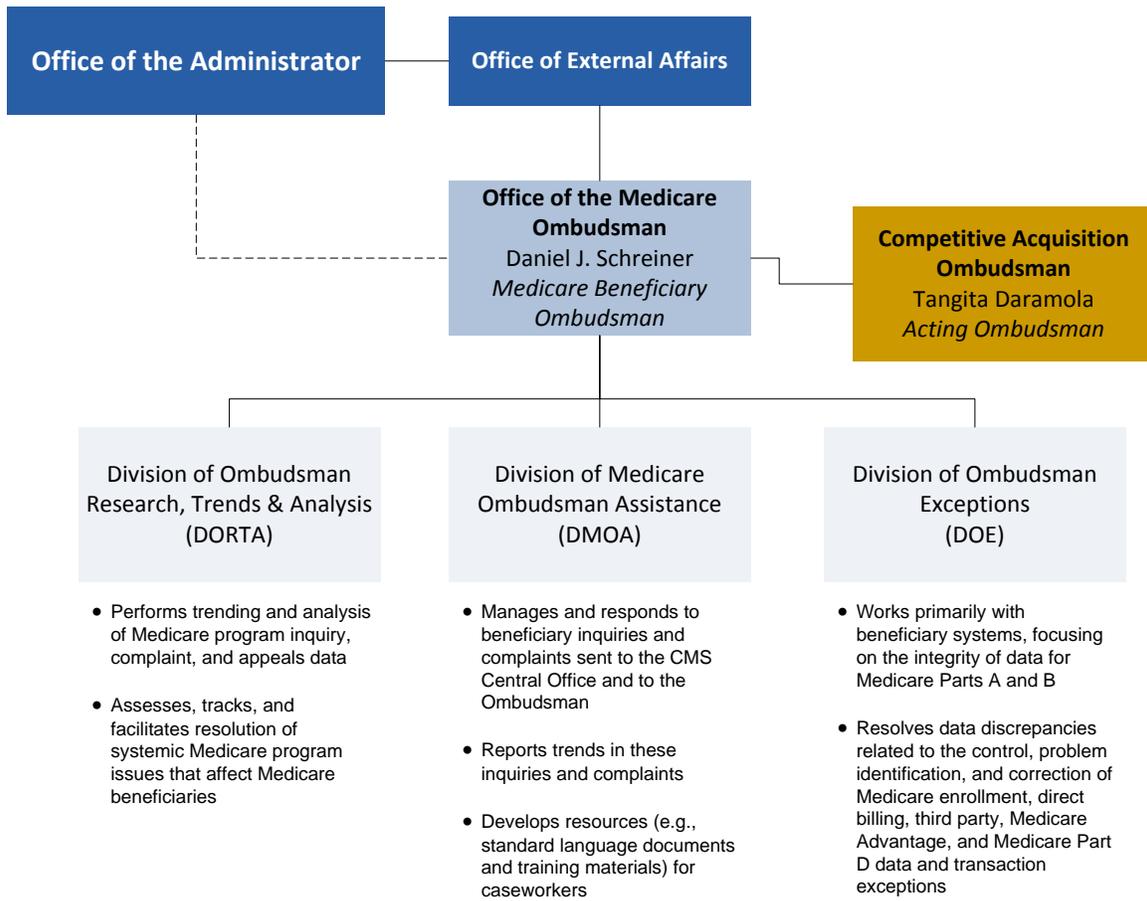
- Act as a facilitator of issue resolution;
- Facilitate supplier and beneficiary focused listening sessions and forums to obtain feedback pertaining to experiences with the application of the Program;
- Serve as an “early-warning system” for CMS regarding issues that impact suppliers and individuals;
- Demonstrate the Agency's ability to listen to supplier and individuals after the Competitive Bidding Program is implemented;
- Partner with CMS' customer-service components; and
- Exhibit fairness, objectivity, and neutrality by sharing information with, between, and among suppliers and individuals in response to inquiries and complaints and the Agency (especially CMS Leadership) on issues concerning the application of the Competitive Bidding Program.

The CAO's Organizational Positioning

The CAO is a unique entity within CMS that works to respond to inquiries and complaints made by suppliers and individuals regarding the application of the Competitive Bidding Program. This section describes the CAO's positioning and areas of interest in greater detail.

The CAO is organizationally positioned within CMS' Office of the Medicare Ombudsman (OMO). The CAO focuses specifically on the effect that the application of the DMEPOS Competitive Bidding Program has on suppliers and individuals (e.g., beneficiaries and their caregivers) by responding to inquiries and complaints received regarding the application of the Competitive Bidding Program, serving as a neutral voice to help facilitate the broad understanding of the Competitive Bidding Program, and assisting CMS in ensuring access to important Program information. It also works to capture and analyze inquiries and complaints. Figure 3 below reflects the current organizational alignment of the Medicare Competitive Acquisition Ombudsman within CMS:

FIGURE 3: THE CAO'S ORGANIZATION CHART



The corresponding functions of the CAO include: responding to inquiries and complaints made by suppliers and individuals regarding the application of the Program; communicating inquiry and complaint processes for suppliers and individuals; identifying any potential systemic issues and if appropriate, making recommendations for improvements in an Annual Report to Congress; implementing supplier and individual processes to plan for risk; facilitating the development of customer service processes; ensuring an internal understanding of suppliers' and individuals' issues among Agency leadership and policy specialists; and facilitating an understanding of and access to information about the DMEPOS Competitive Bidding and the CAO Programs by leveraging relationships with multiple partners.

The CAO's Resources: Staff and Budget

Since its inception, the CAO has been provided with staff to support its implementation efforts. The CAO has an existing budget of \$12 million to support its operations from 2009-2012. Current budget and staffing levels have enabled the CAO to achieve many objectives related to its establishment. The CAO works within the same budgetary constraints that many other CMS components and other Federal Agencies face.

Key Functions and Areas of Focus

Defining the role and the expectations of the CAO is critical to its success. In turn, the definition of roles and expectations drives the areas in which the CAO focuses, and determines the staffing necessary to support its functional areas and the budget necessary to facilitate its work.

The CAO's activities focus on identifying and working with CMS to address issues that may arise during the Competitive Bidding Program. These activities include the following:

- a. Coordinate with CMS to provide information on how to respond to beneficiaries' inquiries and complaints, i.e., share information with the State Health Insurance Assistance Program (SHIP) regarding responding to complaints and inquiries, identification of referral points, Program monitoring, and data sharing;
- b. Facilitate the coordination of outreach efforts between the Office of External Affairs and Beneficiary Services (OEABS), CMS components, and contracted entities, i.e., Partner Relations Group, Center for Medicare (CM), Regional Office (RO) and Central Office (CO) caseworkers, Office of Beneficiary Information Services (OBIS), and Office of Legislation (OL);
- c. Facilitate the Agency's identification of beneficiary information needs in coordination with partners, SHIP, and RO/CO caseworkers;
- d. Respond to inquiries and complaints; assist CMS in analyzing complaint data, issue management & escalation issues related to supplier and individual interactions with the Agency's contracted entities, i.e., Medicare Administrative Contractor (MAC), Competitive Bidding Implementation Contractor (CBIC), and 1-800-MEDICARE; make recommendations for improvement;
- e. Develop training for national caseworker staff on how to facilitate responses; and
- f. Set up a mechanism for the CAO to provide direct responses to dire-need beneficiaries with complicated cases.

Early Accomplishments of the CAO

Throughout 2009, the CAO collaborated with other organizations, both within and external to CMS, to facilitate the establishment of processes and services to prepare to respond to inquiries and complaints made by suppliers and individuals regarding the application of the DMEPOS Competitive Bidding Program. The following key accomplishments were achieved during the reporting period:

- Established operational relationships with CMS' Competitive Bidding Implementation Contractor (CBIC) and other Agency components, such as the Center for Medicare (CM);

- Collaborated with CM to work through operational issues, establish data reporting processes, and identify issues that occurred during the establishment of the CAO;
- Conducted an outreach feedback forum with beneficiary advocates to obtain feedback on ways to assist in facilitating the Agency's outreach efforts;
- Developed a CAO outreach communications plan;
- Coordinated with CMS' Office of External Affairs and Beneficiary Services (OEABS) on a vetting process for materials for the Competitive Bidding Program; and
- Coordinated with CMS' Division of Research regarding Program support contract mechanisms and capabilities concerning research on Competitive Bidding's significant issues.

ACTIVITIES

During the reporting period, the CAO began to develop strategic and operational plans for complaint handling, outreach and communications, and the identification of key and salient issues impacting suppliers and individuals. In addition, activities were undertaken to stand up the CAO program and to position it best to fulfill its mission. The core activities and key initiatives of the CAO included:

- Determining the legislative and legal requirements and issues for the establishment of the CAO;
- Determining the necessary resources to fulfill the CAO's budgeting, staffing, and contracting needs;
- Establishing and confirming policies and operations with CMS' Competitive Bidding Implementation Contractor (CBIC) and the Center for Medicare (CM);
- Communicating inquiry and complaint processes to suppliers and individuals, developing a mechanism to identify potential systemic issues, and making recommendations for improvements in its Annual Report to Congress;
- Implementing supplier and individual processes to plan for risk, identify and facilitate the resolution of systemic issues, and develop customer service processes;
- Ensuring an internal understanding of suppliers' and individuals' issues among Agency leadership and policy specialists;
- Facilitating access to information about the DMEPOS Competitive Bidding and CAO programs by implementing an inquiry and complaint response process and leveraging relationships with multiple partners; and
- Developing research mechanisms to identify potential issues of service and access that may occur during the application of the Competitive Bidding Program.

Greater detail is provided below on some of the CAO's key programmatic initiatives.

The CAO's Key Programmatic Initiatives

Within the scope of implementing the newly established position, the CAO focused efforts on the following key initiatives:

- **Partner Feedback Forums** - In December 2009, the CAO hosted a Competitive Bidding Outreach Feedback Forum in which representatives from CMS' partner agencies

provided feedback on beneficiary communications implemented during the initial Round 1 and made suggestions for how CMS should develop and disseminate beneficiary communications during the Round 1 Rebid of Competitive Bidding. Participants included: the American Lung Association; United Spinal Association; American Diabetes Association; and Alpha One. Their suggestions on timing, clarity, and distribution were heard and ultimately, incorporated into the Agency's development of beneficiary materials on Competitive Bidding. The CAO plans to host additional partner feedback meetings in 2010 to hear their thoughts and experiences with beneficiaries leading up to the Program's implementation.

- **Participation in the Program Advisory and Oversight Committee (PAOC) Meetings**
The CAO attended the June 2009 PAOC meeting. The agenda included discussion regarding the implementation of the Competitive Bidding Program, establishment of financial standards and of data collections, development of proposals to promote interaction between and among manufacturers, providers, suppliers and individuals, and the establishment of quality standards. The CAO will continue to attend and participate in PAOC meetings throughout and beyond 2010.
- **Collaboration with the Center for Medicare (CM)** – The CAO established operational relationships with CM, established and coordinated data reporting processes, and identified issues that occurred during the establishment of the CAO.
- **Risk Planning (Scenarios)** - The CAO performed an extensive review of inquiry and complaint scenarios that may occur during the application of the Program. The outcomes will be potentially useful tools in developing and implementing training for Regional and Central Office caseworkers.
- **Survey of Existing Inquiry and Complaint Processes** - The CAO conducted a survey of existing customer service segments (contracted and Agency) to determine how the application of the Competitive Bidding Program may impact individuals and suppliers. The survey identified the functionality of the various frontline entities, helped to determine gaps in the complaint handling process, and identified opportunities for improvement.
- **Communications/Outreach/Marketing** - The CAO assisted CMS in developing strategies for utilizing communications, outreach, and marketing techniques to identify opportunities to better provide individuals and suppliers with information needed to understand the application of the Competitive Bidding Program. The CAO will also launch the Competitive Acquisition Ombudsman on <http://www.cms.gov> and <http://www.medicare.gov> web pages to communicate timely, up-to-date information about the CAO to suppliers and individuals.

KEY CHALLENGES FACING THE CAO

During the reporting period, the CAO worked to overcome several key challenges. Those identified below represent the most pressing obstacles facing the CAO.

Establishing and Implementing an End-to-End Inquiry and Complaint System

As a newly established Ombudsman within CMS, the CAO faces several challenges with regard to inquiries and complaints that include the following:

- Working with components to extract and tailor data from existing data sources such as the Medicare Administrative Issues Tracker & Reporting of Operations System (MAISTRO), the CMS system for tracking Fee-for-Service issues and complaints, and establishing the comprehensive monitoring of issues;
- Working with CMS' multiple customer service segments, some of which have different data capturing and reporting systems, in order to respond to complaints and inquiries made by suppliers and individuals;
- Assisting CMS in utilizing complaint and inquiry data to identify potential problems with the application of the Competitive Bidding Program; and
- Working with the Agency to train caseworkers and other direct customer service staff on potential identified risks and scenarios pertaining to the application of the program.

These are priority areas for the CAO moving forward.

Coordinating a Newly Established Ombudsman Program with Existing Customer Service Segments

As the CAO synchronizes its activities and processes with CMS Offices and partner organizations, an ongoing priority will be coordinating its newly developed and emerging processes with the Competitive Bidding Implementation Contractor (CBIC) and connecting to other existing customer-service processes. In addition, the CAO will collaborate with CMS' Office of Legislation on any Congressional inquiries.

LOOKING TO THE FUTURE

The CAO will continue to respond to complaints and inquiries made by suppliers and individuals relating to application of the Competitive Bidding Program with the goal of allowing CMS to resolve issues with the Program and ultimately, realize significant savings. During the reporting period, the CAO worked to define requirements and establish the implementation protocol. In 2010, the CAO will continue to serve as a neutral voice in responding to inquiries and complaints made by suppliers and individuals affected by the Competitive Bidding Program, through the identification and sharing of inquiry and complaint data, and by providing balanced reporting to Congress.

Through its research initiatives, the CAO will scan the environment to identify issues relating to the application of the Competitive Bidding Program. To achieve this goal, the CAO will monitor the Program to determine if there are changes in the quality of DMEPOS products, services, and access issues, will review and analyze training initiatives for caseworkers, and collaborate with partners and stakeholders in developing a feedback surveillance mechanism to capture issues. These activities will create more effective complaint data with which to identify issues. In addition, the CAO will create an internal data-reporting portal, which will allow it to focus on specific types of inquiries and complaints to identify issues and work more effectively to identify and collaborate with surveillance partners.

The strategic objectives of the CAO will continue to include:

- Helping to resolve inquiries and complaints from suppliers and individuals relating to the application of the Program;
- Capturing and analyzing data, issues, and trends, and making this data available to CMS for analysis for potential improvements relating to the application of the DMEPOS Competitive Bidding Program;
- Coordinating with CMS' Offices and external partners such as supplier groups and beneficiary advocacy organizations;
- Implementing and continuously improving inquiries and complaints processes;
- Utilizing CMS approved social media as information sharing and feedback mechanisms; and
- Serving as a voice for suppliers and individuals.

The CAO also will continue to make available more information through a broader variety of tools (e.g., its new website, which will be implemented in 2010), and will provide suppliers and advocates with better access to information through partnership activities. Furthermore, the CAO will gain greater visibility into CMS' issue-management and complaints processes, and

will implement an inquiry and complaint-management process, which will contribute to its data-analysis capabilities by populating data systems.

With these activities in mind, the CAO will seek to create a trusting environment in which suppliers and individuals can submit complaints. Specific goals and initiatives for the CAO in 2010 include:

- Coordinating with CMS to strengthen internal and external partnerships;
- Establishing and implementing inquiry and complaint systems and performing system-wide complaint data analysis;
- Utilizing CMS approved social media as information sharing and feedback mechanisms;
- Responding to complaints and inquiries made by suppliers and individuals regarding the application of the Competitive Bidding Program with accurate information; and
- Working with the Agency to train Central Office and Regional Office caseworkers on identified inquiry and complaint scenarios regarding the DMEPOS Competitive Bidding Program.

The CAO's small but dedicated team will continue to assist CMS in its efforts to ensure that suppliers have fair and equal access to information and resources regarding the application of the Competitive Bidding Program, and individuals receive continuous, reliable services to meet their needs.