

**An Important Message from Medicare:**

The Round 1 Rebid of the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (the Program) was successfully implemented in nine areas on January 1, 2011. This program changes the amount Medicare pays for certain DMEPOS (e.g., walkers, wheelchairs, and oxygen and oxygen equipment) and changes which suppliers Medicare will pay to furnish these items under Medicare Part B.

Round 2 of the Program is scheduled to go into effect in 91 metropolitan statistical areas, including your area, on July 1, 2013. A national mail-order program for diabetic testing supplies will be implemented at the same time and will include all parts of the United States, including the 50 States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa. When the Program becomes effective in a competitive bidding area (CBA), beneficiaries with Original Medicare who need competitively bid items in the CBA must obtain these items from a contract supplier in order for Medicare to pay, unless an exception applies.

It is crucial that you, as someone who may refer or order these items, be informed about how this program will affect your Medicare patients so that Medicare will continue to pay for covered services. For purposes of the Program, “referral agent” includes such entities as Medicare enrolled providers, physicians, treating practitioners, discharge planners, social workers, and pharmacists who refer beneficiaries for services in a CBA.

We are sending you this letter because, as a referral agent with a practice location in a CBA, you play a critical role in helping your Medicare patients select the appropriate DMEPOS supplier. A beneficiary’s first contact with the Program may be at the point when you hand him or her a prescription for an item or refer him or her to a Medicare supplier. Please help the beneficiary understand that if he or she **resides in a CBA** or is **visiting a CBA and needs to obtain a DMEPOS competitive bid item**, he or she must use a contract supplier unless an exception applies, as discussed in the educational products listed below.

Also, in light of the important role that referral agents serve, CMS has adopted the use of a new electronic mailing list to better communicate the various aspects of the Program and to ensure that official information is released and received by referral agents as quickly as possible. CMS encourages all referral agents to sign up for this new email update to ensure they receive the most accurate and timely information regarding the Program. Subscribe at <http://qrs.ly/7k3bibe>.

Round 2 of the Program begins in your area on **July 1, 2013**. To assist you in preparing for this date, we suggest that you become familiar with the following program information:

1. The enclosed Medicare Learning Network “DMEPOS Competitive Bidding Program Fact Sheet for Referral Agents” that further describes your role as a Referral Agent. This Fact sheet can also be found at www.cms.gov/MLNProducts/downloads/DME_Ref_Agt_Factsheet_ICN900927.pdf;
2. Competitive Bidding Program exceptions that apply to non-contract suppliers can be found in the “DMEPOS Competitive Bidding Program Non-Contract Supplier Fact Sheet” at

http://www.cms.gov/MLNProducts/downloads/DME_Noncontract_Factsheet_ICN900925.pdf;
and

3. Materials, including the letters that will be mailed to beneficiaries in each CBA to describe the new program, can be found at http://www.cms.gov/Outreach-and-Education/Outreach/Partnerships/DMEPOS_Toolkit.html.

To find a list of competitive bidding contract suppliers for a particular area, please go to the on-line Supplier Directory at www.medicare.gov/supplier.

For the most current news, educational products, and announcements regarding the DMEPOS Competitive Bidding Program, please visit the dedicated DMEPOS Competitive Bidding Program website at www.cms.hhs.gov/DMEPOSCompetitiveBid. Educational resources designed for the non-contract supplier and referral agent community can be located by clicking on “Educational Resources” found on the left hand side of the page. Information on the medical equipment and supplies included in Round 2 can be found by clicking on “Product Categories, Items, and HCPCS.”

If you still have questions after reviewing the educational resources, your competitive bidding local liaison is available to assist you. Contact information for the liaison assigned to each CBA is located at www.dmecompetitivebid.com/CBL. Your CMS Regional Office is also available for assistance.

In summary, as of **July 1, 2013**, please help your Medicare patients that reside in a CBA or are visiting a CBA to use the appropriate DMEPOS supplier when you order or refer the patient for medical equipment or supplies. Understand the exceptions for when the patient is not required to use a competitive bidding contract supplier. And finally, know how to access the Supplier Directory to locate the contract suppliers for a CBA. CMS thanks you in advance for helping Medicare beneficiaries who, as a result of this program, will pay less in out-of-pocket expenses and continue to receive quality products from accredited suppliers.

Enclosures