

**Medicare Durable Medical Equipment, Prosthetics, Orthotics and Supplies Competitive Bidding
Program (DMEPOS CBP)
Establishment of Competitive Bidding Areas –Notice of Final Rulemaking (1503-FC)**

FACT SHEET

Background:

The Medicare Improvements for Patients and Provider Act (MIPPA) of 2008 and the Affordable Care Act (ACA) of 2010 specify requirements for establishment of competitive bidding areas (CBAs) for Round 2 and future rounds of the DMEPOS CBP. The MIPPA gave the Secretary the authority during Round 2 to subdivide Metropolitan Statistical Areas (MSAs) with populations of at least 8,000,000 into separate CBAs. In addition, the ACA expands Round 2 of the DMEPOS CBP from 70 to 91 additional MSAs.

Provisions of the final rule:

In this notice of final rulemaking, we implement various provisions affecting the establishment of CBAs under the DMEPOS CBP in accordance with the legislative changes referenced above.

Subdividing Highly Populated MSAs under Round 2:

We use the authority during Round 2 of the DMEPOS CBP to subdivide the following three MSAs with populations of at least 8,000,000: Chicago-Naperville-Joliet, Illinois-Indiana-Wisconsin MSA; Los Angeles-Long Beach-Santa Ana, California MSA; and New York-Northern New Jersey-Long Island, New York-New Jersey-Pennsylvania MSA. The various factors used in proposing subdivisions of these MSAs are addressed in the final rule. The Chicago-Naperville-Joliet, Illinois-Indiana-Wisconsin MSA is subdivided into four CBAs. The Los Angeles-Long Beach-Santa Ana, California MSA is subdivided into two CBAs. The New York-Northern New Jersey-Long Island, New York-New Jersey-Pennsylvania MSA is subdivided into six CBAs.

After considering public comments, we are finalizing the 4 proposed CBAs for the Chicago-Naperville-Joliet, IL-IN-WI MSA. We are finalizing the 2 proposed CBAs for the Los Angeles-Long Beach-Santa Ana, CA MSA, but will use our authority for excluding low population density areas from the MSA to exclude the Islands of Santa Catalina and San Clemente from the CBA for Los Angeles County CBA.

We are finalizing 6 CBAs for the New York-Northern New Jersey-Long Island, NY-NJ-PA MSA, further subdividing one of the proposed CBAs into 2 separate CBAs. In an effort to create CBAs in one state, we added Staten Island to the Nassau-Kings-Queens proposed CBA. In addition, we will use our authority for excluding low population density areas from the MSA to exclude Pike County, Pennsylvania from the Round 2 CBAs.

Expansion of Areas in Round 2:

We implement the requirement of the statute to expand Round 2 of the program by adding the next 21 largest MSAs by total population to the 70 MSAs already selected for phase in under Round 2.

For additional details about the DMEPOS CBP and the areas that will be included as a part of the DMEPOS CBP, please visit <https://www.cms.gov/dmeposcompetitivebid>.