

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

DMEPOS Competitive Bidding Program



Palmetto GBA.
PARTNERS IN EXCELLENCE.



Agenda

- General Overview
- Program Policies
- Exemptions

General Overview

- Program required by law
- Round 1 Rebid contracts and prices become effective on January 1, 2011
- Applies to Medicare beneficiaries with Original Medicare

Competitive Bidding Areas

- Cincinnati – Middletown, OH-KY-IN
- Cleveland – Elyria – Mentor, OH
- Charlotte – Gastonia – Concord, NC-SC
- Dallas-Fort Worth-Arlington, TX
- Miami – Fort Lauderdale – Pompano Beach, FL
- Orlando - Kissimmee, FL
- Pittsburgh, PA
- Riverside – San Bernardino – Ontario, CA
- Kansas City, MO-KS

Product Categories

- Oxygen, Oxygen Equipment, and Supplies
- 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
- CPAP, RADs, and Related Supplies and Accessories
- Hospital Beds and Related Accessories
- Walkers and Related Accessories
- Support Surfaces (Group 2 mattresses and overlays) – *Miami CBA only*

Program Policies

Deductible and Coinsurance

- After beneficiary pays annual Part B deductible
 - Medicare pays 80% of the Medicare-approved amount for equipment, supplies and services
 - Beneficiary responsible for a 20% coinsurance
- Contract suppliers cannot bill for more than these amounts
- For suspected overpayment or fraud call
 - 1-800-MEDICARE
 - Fraud Hotline of the HHS Office of the Inspector General at 1-800-447-8477.

Beneficiary Protections

- **Comply for full contract period**
 - Must be ready to perform on day one
 - Contract period announced when bidding opened
- **Cannot Discriminate**
 - Furnish same items available to all customers
- **Must furnish competitively bid items to any beneficiary who maintains permanent residence in or visits CBA**
 - Only Exception: SNF/NF as specialty supplier

Beneficiary Protections

- Doctor 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

Advance Beneficiary Notice (ABN)

- Non-contract supplier furnishes bid item to beneficiary in CBA:
 - Notice to beneficiary of non-contract status
 - Beneficiary may elect to sign ABN
 - No beneficiary notice (no signed ABN) = claim denied, no beneficiary liability

Repair/Replacement

Repair ONLY



- For beneficiary-owned equipment
- May be performed by any Medicare-enrolled supplier
- **Labor** associated for repair/replacement is not a bid item, is paid at fee schedule amount

Repair and Replacement Part



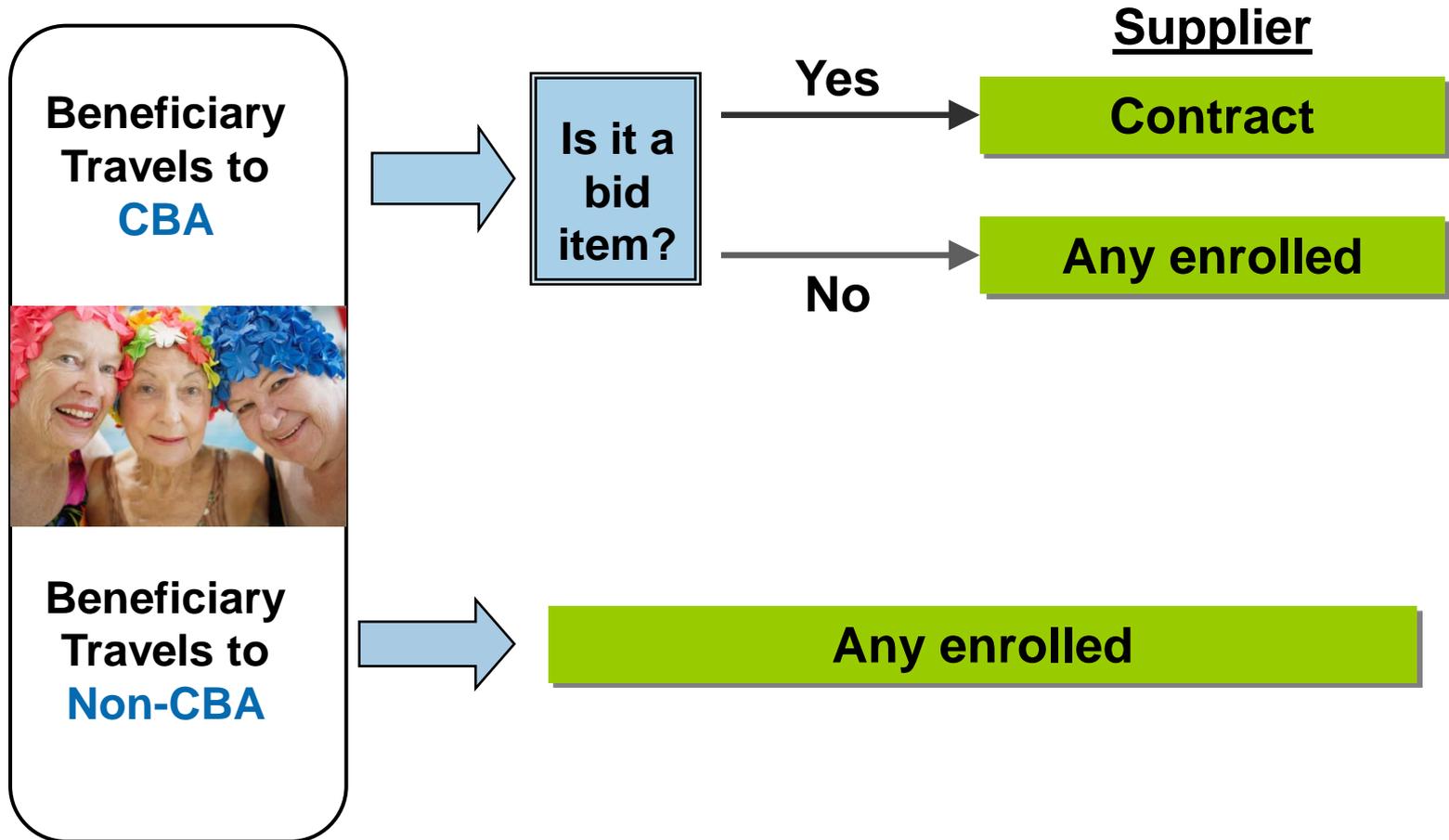
- Furnished by any Medicare-enrolled supplier
- If replacement part is bid item, paid at single payment amount
- Must accept assignment

Replacement ONLY



- Complete replacement of an item
- Must be provided by a contract supplier

Traveling Beneficiary



Mail-order Diabetic Supplies

- Ordered remotely and delivered by common carrier
- Contract supplier
 - Mail-order diabetic supplies
- Non-contract supplier
 - Non mail-order diabetic supplies
- KL modifier

Enteral Nutrition

- Cannot be grandfathered
- Nutrients and supplies must always be furnished by contract supplier
- If pump furnished for less than 15 months
 - Must transition to contract supplier
 - Pickup of old pump and delivery of new pump should occur on first anniversary date after January 1, 2011

Enteral Nutrition

- If pump furnished for more than 15 months
 - Supplier that furnished pump in 15th month responsible for furnishing, maintaining, and servicing pump as long as medically necessary
 - Nutrients and supplies must be furnished by contract supplier

Subcontracting

- Subcontracting arrangements must comply with supplier standards
 - Purchase of inventory (#4)
 - Delivery and instruction on the use of item (#12)
 - Repair of rented equipment (#14)
- Subcontractors must be accredited as applicable

Exemptions

Grandfathering

- Applies to oxygen and oxygen equipment and rented durable medical equipment (DME) only
- Not applicable to enteral nutrition or diabetic supplies
- Item must be under rental agreement at time program is implemented

Grandfathering

- Must offer to grandfather all beneficiaries
- Must grandfather all items in the product category
- Beneficiaries may choose contract supplier or grandfathered supplier
- Applicable to beneficiaries transitioning from Medicare Advantage plans

Transitioning to Contract Supplier

- Non-contract suppliers that do not elect to be grandfathered suppliers must pick up their equipment
- Furnishing of equipment owned by a non-contract supplier acting as a subcontractor is not permitted
- Pickup of old equipment and delivery of new equipment must be coordinated among non-contract/ current supplier, contract supplier and beneficiary

Transitioning to Contract Supplier

- New contract supplier should obtain supporting documentation from current supplier
- Pickup and delivery should occur on anniversary of delivery date of when item was first rented to beneficiary
- Non-contract or current supplier cannot pick up equipment before the end of the last month for which that supplier is entitled payment

Transitioning to Contract Supplier

- Example if Anniversary Date is December 27
 - Current supplier picks up the old equipment on January 27 and submits claim from December 27 to January 26
 - New contract supplier delivers the new equipment on January 27 and submits claim from January 27 to February 26

Transitioning to Contract Supplier

- Notification by non-contract supplier to beneficiaries switching to contract supplier
 - Ten (10) business days before scheduled pickup date
 - Two (2) business days before scheduled pickup date

Exemptions

- Physicians and Other Practitioners
 - No requirement to bid if bid item provided as part of professional services
 - Bid item limited to walkers
- Hospitals
 - No requirement to bid if item provided to own patients during admission or on date of discharge
 - Bid item limited to walkers
 - Hospital-owned DME suppliers not exempt from bidding

Exemptions

- Primary Insurance Supplier
 - May continue to receive secondary payment for an item
 - Paid in accordance with Medicare secondary payer requirements

Resources

- CMS Website:
www.cms.gov/dmeposcompetitivebid
- Competitive Bidding Implementation Contractor (CBIC) Customer Service Center: **(877) 577-5331**
- Competitive Bidding Program (CBIC) Website:
www.DMECompetitiveBid.com
- NSC Website:
www.PalmettoGBA.com/NSC