



# Mail Order – Diabetic Testing Supplies

DMEPOS Competitive Bidding  
Program





# Mail Order

- MIPPA requires that Round 1 Rebid occur for the Round 1 product categories, except for negative pressure wound therapy (NPWT) and Group 3 complex rehabilitative power wheel chairs.
  - CMS must include mail order diabetic supplies in the Round 1 Rebid.
- MIPPA permits competition for a national mail order competitive bidding program after 2010.



# Mail Order

## ■ Rationale for National Mail Order Program

- Data indicate that over 60 percent of Medicare expenditures for diabetic supplies are for items furnished by national mail order suppliers.
- Separate bidding of mail order diabetic supplies would generate significant savings from suppliers that can obtain volume discounts from manufacturers.
- Would preserve choice to obtain supplies from any local pharmacy in a CBA, but with higher coinsurance payments.



# Alternatives to Mail Order

- Considerations of alternatives for the competition of diabetic test supplies
  - Alternatives to mail order will potentially take place sometime after Round 1 rebid.
  - Alternatives will be the subject of a future notice and comment rule making.
  - Employ competitive bidding for diabetic supplies in general.
    - Consistent with section 1847(a) of the Act
    - Concerns raised about bifurcation of the method of delivery



# Supplier Standards

- Supplier of blood glucose monitor is responsible for:
  - Documenting that it has provided the beneficiary with necessary information and instructions on how to use the item safely and effectively. 42 CFR 424.57(c)(12)
  - Answering questions and responding to complaints about the item. 42 CFR 424.57(c)(13)



# Responsibilities of Test Strip Suppliers

- Furnish supplies that work with monitor selected by beneficiary and clinicians.
- Comply with supplier standards and quality standards/accreditation.
- Check ahead of time to make sure supplies are needed and furnish sufficient quantity for one to three month period.