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. Round 2 of the Program became effective in 91 Metropolitan Statistical Areas (MSAs)* on July 1, 2013. Medicare implemented a national mail-order program for diabetic testing supplies at the same time as Round 2. The national mail-order program includes 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.

The Centers for Medicare & Medicaid Services (CMS) is required by law to recompete contracts under the Program at least once every 3 years. The Round 1 Rebid supplier contracts will end on December 31, 2013. On January 1, 2014, new contracts for the Round 1 Recompete in the same nine competitive bidding areas (CBAs) take effect. There will also be some changes to the specific DMEPOS items that are part of the Program in these areas starting on January 1, 2014.

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 electronic mailing list to ensure they receive the most accurate and timely information regarding the Program.

To ensure you give Medicare patients correct DMEPOS information, sign up for the CMS DME Referral Agent Electronic Mailing List.

* The Medicare Improvements for Patients and Providers Act of 2008 allows for the subdivision of MSAs, with populations over 8 million, into multiple competitive bidding areas (CBAs). Most Round 2 MSAs have only one CBA. However, the three largest MSAs (Chicago, Los Angeles, and New York) are subdivided into multiple CBAs, so there are a total of 100 CBAs.
When a round of the Program becomes effective in a CBA, beneficiaries with Original Medicare who obtain competitively bid items in that CBA must obtain these items from a contract supplier for that round in order for Medicare to pay, unless an exception applies. Referral agents located in CBAs who prescribe DMEPOS for Medicare beneficiaries, or refer beneficiaries to specific suppliers, should be aware of which suppliers in the area are contract suppliers.

For purposes of the Medicare DMEPOS Competitive Bidding Program, referral agents include such entities as Medicare-enrolled providers, physicians, treating practitioners, discharge planners, social workers, and pharmacists who refer beneficiaries for services in a CBA.

Help Medicare to Help the Beneficiary

Referral agents play a critical role in helping beneficiaries select DMEPOS suppliers that can meet the beneficiaries’ needs and meet the requirements of the Program. A beneficiary’s first contact with the Program may be at the point when he or she receives a prescription for a competitively bid item. If the beneficiary resides in a CBA or is visiting a CBA in which he or she needs to obtain a competitively bid item, he or she may need to be directed to a contract supplier.

NOTE: The Medicare DMEPOS Competitive Bidding Program does not affect the beneficiary’s choice of physician or treating practitioner.

Frequently Asked Questions and Answers

Where can I find a list of contract suppliers?

You can find contract suppliers using the “Supplier Directory,” which is available to beneficiaries at http://www.medicare.gov/SupplierDirectory.

What information does a referral agent need to know before prescribing a DMEPOS item for a Medicare beneficiary or referring the beneficiary to a DMEPOS supplier?

To direct a beneficiary appropriately, a referral agent first needs to determine if the Medicare beneficiary has Original Medicare or is enrolled in a Medicare Advantage Plan. If the beneficiary is enrolled in a Medicare Advantage Plan, he or she needs to use suppliers approved by the plan.

If the beneficiary has Original Medicare, then the referral agent needs to determine if the beneficiary resides in a CBA or is visiting a CBA in which he or she needs to obtain a competitively bid item. CBAs are defined by ZIP codes. To determine if a beneficiary resides in a CBA, enter the beneficiary’s permanent residence ZIP code in the “FIND A CBA” tool on the green tool bar at the top of the page at http://www.dmecompetitivebid.com on the Competitive Bidding Implementation Contractor (CBIC) website. The beneficiary’s permanent residence is the one on file with the Social Security Administration (SSA).

For beneficiaries who do not reside in a CBA or are not visiting a CBA, a referral agent may continue to order supplies from any Medicare-enrolled DMEPOS supplier.
The “FIND A CBA” tool will also indicate the specific round (Round 1 Rebid, Round 2, or National Mail-Order) that applies to a ZIP code. For more information on traveling beneficiaries, please refer to “What factors should be considered when beneficiaries travel?” on page 6.

♦ If the beneficiary resides in a CBA or is visiting a CBA in which he or she needs to obtain a DMEPOS item, the referral agent would next determine if the item is included in any of the competitive bid product categories. These product categories and associated Healthcare Common Procedure Code System (HCPCS) codes for each round are available at http://www.dmecompetitivebid.com.

♦ If the DMEPOS item falls into one of the competitive bid product categories, the referral agent should inform the beneficiary of this and assist the beneficiary in obtaining the item from a contract supplier.

The referral agent should let the beneficiary know about the “Supplier Directory” on http://www.medicare.gov/SupplierDirectory. Customer service representatives at 1-800-MEDICARE (1-800-633-4227) can also assist beneficiaries in finding a contract supplier.

Where are the Round 1 Areas?

The Round 1 Rebid became effective on January 1, 2011, in certain ZIP codes in the following areas:

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

The Round 1 Recompete is scheduled to go into effect in the same areas on January 1, 2014.

Where are the Round 2 Areas?

Round 2 of the Competitive Bidding Program became effective on July 1, 2013, in certain ZIP codes in the following 91 areas:

Round 2 Areas

West

♦ Albuquerque, NM
♦ Bakersfield-Delano, CA
♦ Boise City-Nampa, ID
♦ Colorado Springs, CO
♦ Denver-Aurora-Broomfield, CO
♦ Fresno, CA
♦ Honolulu, HI
♦ Las Vegas-Paradise, NV
♦ Los Angeles-Long Beach-Santa Ana, CA
♦ Oxnard-Thousand Oaks-Ventura, CA
♦ Phoenix-Mesa-Glendale, AZ
♦ Portland-Vancouver-Hillsboro, OR-WA
♦ Sacramento – Arden-Arcade – Roseville, CA
♦ Salt Lake City, UT
♦ San Diego-Carlsbad-San Marcos, CA
♦ San Francisco-Oakland-Fremont, CA
♦ San Jose-Sunnyvale-Santa Clara, CA
♦ Seattle-Tacoma-Bellevue, WA
♦ Stockton, CA
♦ Tucson, AZ
♦ Visalia-Porterville, CA
Round 2 Areas (cont.)

Midwest
- Akron, OH
- Chicago-Joliet-Naperville, IL-IN-WI
- Columbus, OH
- Dayton, OH
- Detroit-Warren-Livonia, MI
- Flint, MI
- Grand Rapids-Wyoming, MI
- Huntington-Ashland, WV-KY-OH
- Indianapolis-Carmel, IN
- Milwaukee-Waukesha-West Allis, WI
- Minneapolis-St. Paul-Bloomington, MN-WI
- Omaha-Council Bluffs, NE-IA
- St. Louis, MO-IL
- Toledo, OH
- Wichita, KS
- Youngstown-Warren-Boardman, OH-PA

South
- Asheville, NC
- Atlanta-Sandy Springs-Marietta, GA
- Augusta-Richmond County, GA-SC
- Austin-Round Rock-San Marcos, TX
- Baltimore-Towson, MD
- Baton Rouge, LA
- Beaumont-Port Arthur, TX
- Birmingham-Hoover, AL
- Cape Coral-Fort Myers, FL
- Charleston-North Charleston-Summerville, SC
- Chattanooga, TN-GA
- Columbia, SC
- Deltona-Daytona Beach-Ormond Beach, FL
- El Paso, TX
- Greensboro-High Point, NC
- Greenville-Mauldin-Easley, SC
- Houston-Sugar Land-Baytown, TX
- Jackson, MS
- Jacksonville, FL
- Knoxville, TN
- Lakeland-Winter Haven, FL
- Little Rock-North Little Rock-Conway, AR
- Louisville/Jefferson County, KY-IN
- McAllen-Edinburg-Mission, TX
- Memphis, TN-MS-AR
- Nashville-Davidson-Murfreesboro-Franklin, TN
- New Orleans-Metairie-Kenner, LA
- North Port-Bradenton-Sarasota, FL
- Ocala, FL
- Oklahoma City, OK
- Palm Bay-Melbourne-Titusville, FL
- Raleigh-Cary, NC
- Richmond, VA
- San Antonio-New Braunfels, TX
- Tampa-St. Petersburg-Clearwater, FL
- Tulsa, OK
- Virginia Beach-Norfolk-Newport News, VA-NC
- Washington-Arlington-Alexandria, DC-VA-MD-WV
Round 2 Areas (cont.)

Northeast
♦ Albany-Schenectady-Troy, NY
♦ Allentown-Bethlehem-Easton, PA-NJ
♦ Boston-Cambridge-Quincy, MA-NH
♦ Bridgeport-Stamford-Norwalk, CT
♦ Buffalo-Niagara Falls, NY
♦ Hartford-West Hartford-East Hartford, CT
♦ New Haven-Milford, CT
♦ New York-Northern New Jersey-Long Island, NY-NJ-PA
♦ Philadelphia-Camden-Wilmington, PA-NJ-DE-MD
♦ Poughkeepsie-Newburgh-Middletown, NY
♦ Providence-New Bedford-Fall River, RI-MA
♦ Rochester, NY
♦ Scranton – Wilkes-Barre, PA
♦ Springfield, MA
♦ Syracuse, NY
♦ Worcester, MA

Can the referral agent prescribe any brand or mode of delivery for a DMEPOS item?

The Program includes a special beneficiary safeguard to ensure that beneficiaries have access to specific brands or modes of delivery of competitively bid items when needed to avoid an adverse medical outcome. This safeguard, which is sometimes called the Physician Authorization Process, allows a physician (including a podiatric physician) or treating practitioner (i.e., a physician assistant, clinical nurse specialist, or nurse practitioner) to prescribe a specific brand or mode of delivery to avoid an adverse medical outcome. The physician or treating practitioner must document in the beneficiary’s medical record the reason why the specific brand or mode of delivery is necessary to avoid an adverse medical outcome. This documentation should include the following:

♦ The product’s brand name or mode of delivery;
♦ The features that this product or mode of delivery has versus other brand name products or modes of delivery; and
♦ An explanation of how these features are necessary to avoid an adverse medical outcome.

If a physician or treating practitioner prescribes a particular brand or mode of delivery for a beneficiary to avoid an adverse medical outcome, the contract supplier must, as a term of its contract, ensure that the beneficiary receives the needed item. The contract supplier has three possible options:

1. The contract supplier could furnish the specific brand or mode of delivery as prescribed;
2. The contract supplier could consult with the physician or treating practitioner to find another appropriate brand of item or mode of delivery for the beneficiary and obtain a revised written prescription; or
3. The contract supplier could assist the beneficiary in locating a contract supplier that will furnish the particular brand of item or mode of delivery prescribed by the physician or treating practitioner.

If the contract supplier does not ordinarily furnish the specific brand or mode of delivery and cannot obtain a revised prescription or locate another contract supplier that will furnish the needed item, the contract supplier must furnish the item as prescribed.
Can a contract supplier provide an item different from that specified in the written prescription received from the beneficiary’s referral agent?

A contract supplier is prohibited from submitting a claim to Medicare if it provides an item different than that specified in the written prescription. Any change in the prescription requires a revised written prescription. In addition, contract suppliers are required to accept assignment for items they furnish to Medicare beneficiaries.

What factors should be considered when beneficiaries travel?

If a beneficiary travels to a CBA, he or she must get any medical equipment or supplies included in the Program from a Medicare contract supplier for that area unless an exception applies.

The following chart describes different scenarios.

<table>
<thead>
<tr>
<th>If beneficiary permanently lives in…</th>
<th>And travels to…</th>
<th>He or she may go to…</th>
</tr>
</thead>
<tbody>
<tr>
<td>A CBA</td>
<td>A different CBA</td>
<td>A Medicare contract supplier for items included in the Program in the CBA to which the beneficiary traveled</td>
</tr>
<tr>
<td>A CBA</td>
<td>An area NOT included in the Program</td>
<td>Any Medicare-approved supplier</td>
</tr>
<tr>
<td>An area NOT included in the Program</td>
<td>A CBA</td>
<td>A Medicare contract supplier for items included in the Program in the CBA</td>
</tr>
<tr>
<td>An area NOT included in the Program</td>
<td>An area NOT included in the Program</td>
<td>Any Medicare-approved supplier</td>
</tr>
</tbody>
</table>
How is the Medicare payment amount determined when the beneficiary travels?

The Medicare payment amount is always based on the location in which the beneficiary maintains a permanent residence.*

For example:

- If a beneficiary maintains a permanent residence in a CBA and travels outside of the CBA, payment for a competitively bid item for the CBA in which the beneficiary maintains a permanent residence is the single payment amount for that item in the beneficiary’s CBA.

- When a beneficiary maintains a permanent residence in an area that is not in a CBA and travels to a CBA or non-CBA, the supplier that furnishes the item will be paid the fee schedule amount for the area where the beneficiary maintains a permanent residence.

From whom can beneficiaries purchase diabetic testing supplies?

Beneficiaries may choose to pick up diabetic testing supplies in person from Medicare-enrolled retail pharmacy locations or other local Medicare-enrolled supplier storefronts, or have them delivered to their homes. The term “mail-order” includes all home deliveries.

The Medicare-approved amount for diabetic testing supplies is the same regardless of where they are furnished. Medicare contract suppliers must always accept assignment on these items. This means they must accept the Medicare-approved amount as payment in full and cannot charge beneficiaries more than the 20 percent coinsurance and any unmet deductible. Beneficiaries may also choose to purchase diabetic testing supplies in person at any Medicare-enrolled supplier storefront; however, these retail locations may not accept assignment. Beneficiaries who use suppliers that do not accept assignment may pay more than the 20 percent coinsurance and any unmet deductible. Therefore, Medicare beneficiaries who choose to purchase their diabetic testing supplies in person at the store should check with the store to find out what their copayment will be.

Additional Information

For more information about the DMEPOS Competitive Bidding Program, visit [http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid) on the CMS dedicated website. Here you can find up-to-date information on the DMEPOS Competitive Bidding Program, such as fact sheets, program timelines, latest news and announcements, as well as specific information regarding each round of competition.

Sign up for the new [CMS DME Referral Agent Electronic Mailing List](mailto:https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid) to receive the most current information about the DMEPOS Competitive Bidding Program!

Beneficiary-related information can be found at [http://www.medicare.gov](http://www.medicare.gov) on the Internet.

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* The permanent address is the address on file with the SSA. It is the address to which the beneficiary’s Social Security checks are mailed.
This fact sheet was current at the time it was published or uploaded onto the web. Medicare policy changes frequently so links to the source documents have been provided within the document for your reference.

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