

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



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Version

The Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program

Referral Agents

The Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (the Program) has expanded into numerous competitive bidding areas (CBAs) since January 1, 2011. The Centers for Medicare & Medicaid Services (CMS) is required by law to recompetete contracts under the Program at least once every 3 years.

When a round of the Program becomes effective in a CBA, beneficiaries with Original Medicare who obtain competitively bid items in the CBA must obtain these items from a contract supplier 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 Program does not affect the beneficiary's choice of physician or treating practitioner.

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.

Frequently Asked Questions and Answers

Where can I find a list of the new contract suppliers for Round 2 Recompete and the national mail-order recompete?

You can find contract suppliers using the Supplier Directory, which is available to beneficiaries at <https://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 that 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 tool bar at the top of the page at <http://www.dmecompetitivebid.com>, the Competitive Bidding Implementation Contractor (CBIC) website. The beneficiary's permanent residence is the one on file with the Social Security Administration (SSA). The "FIND A CBA" tool will also indicate the specific round (Round 1, Round 2 Recompete, or National Mail-Order Recompete) that applies to a ZIP Code. For more information on traveling beneficiaries, please refer to "What factors should be considered when beneficiaries travel?" on pages 7 and 8.

- ◆ **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 at <https://www.medicare.gov/SupplierDirectory>. Customer service representatives at 1-800-MEDICARE can also assist beneficiaries in finding a contract supplier.



What are the DMEPOS Competitively Bid Items?

The DMEPOS Competitively Bid Items are:

- ◆ Commode chairs
- ◆ Continuous positive airway pressure (CPAP) devices and related supplies
- ◆ Diabetes Testing Supplies (mail-order only)*
- ◆ Enteral nutrient equipment and supplies
- ◆ External infusion pumps and supplies**
- ◆ Hospital beds and related accessories
- ◆ Nebulizers (standard) and related supplies
- ◆ Negative Pressure Wound Therapy (NPWT) pumps and related supplies
- ◆ Oxygen and related equipment and supplies
- ◆ Patient lifts
- ◆ Respiratory assist devices (RADs) and related supplies
- ◆ Scooters and related accessories
- ◆ Seat lifts
- ◆ Support Surfaces (group 1 and group 2)
- ◆ Transcutaneous electrical nerve stimulation (TENS) devices
- ◆ Walkers
- ◆ Wheelchairs (standard power or manual) and related accessories

* 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. Does not include glucose meters.

** Only included in the DMEPOS Competitive Bidding Program in certain areas. These items won't be included in the Program beginning January 1, 2017.

Where are the Competitive Bidding Areas?

Table 1. Competitive Bidding Areas (CBAs) by State

State	CBA Name
AL	Birmingham-Hoover
AR	Little Rock-North Little Rock-Conway
AZ	Phoenix-Mesa-Scottsdale Tucson
CA	Bakersfield Fresno Los Angeles County Orange County Oxnard-Thousand Oaks-Ventura Riverside-San Bernardino-Ontario* Sacramento-Roseville-Arden-Arcade San Diego-Carlsbad San Francisco-Oakland-Hayward San Jose-Sunnyvale-Santa Clara Stockton-Lodi Visalia-Porterville
CO	Colorado Springs Denver-Aurora-Lakewood

Table 1. Competitive Bidding Areas (CBAs) by State (cont.)

State	CBA Name
CT	Bridgeport-Stamford-Norwalk Hartford-West Hartford-East Hartford New Haven-Milford
DC	Washington
DE	Wilmington
FL	Cape Coral-Fort Myers Deltona-Daytona Beach-Ormond Beach Jacksonville Lakeland-Winter Haven Miami-Fort Lauderdale-West Palm Beach* North Port-Sarasota-Bradenton Ocala Orlando-Kissimmee-Sanford* Palm Bay-Melbourne-Titusville Tampa-St. Petersburg-Clearwater
GA	Atlanta-Sandy Springs-Roswell Augusta-Richmond County Catoosa, Dade and Walker Counties
HI	Honolulu
IA	Council Bluffs
ID	Boise City
IL	Aurora-Elgin-Joliet Chicago-Naperville-Arlington Heights East St. Louis Lake and McHenry Counties
IN	Dearborn, Franklin, Ohio and Union Counties* Gary Indianapolis-Carmel-Anderson Jeffersonville-New Albany
KS	Kansas City-Overland Park-Ottawa* Wichita
KY	Covington-Florence-Newport* Louisville-Jefferson County
LA	Baton Rouge New Orleans-Metairie
MA	Boston-Cambridge-Quincy Bristol County Springfield Worcester

Table 1. Competitive Bidding Areas (CBAs) by State (cont.)

State	CBA Name
MD	Baltimore-Columbia-Towson Calvert, Charles and Prince George's Counties Silver Spring-Rockville-Bethesda
MI	Detroit-Warren-Dearborn Flint Grand Rapids-Wyoming
MN	Minneapolis-St. Paul-Bloomington
MO	Kansas City* St. Louis
MS	Jackson South Haven-Olive Branch
NC	Asheville Charlotte-Concord-Gastonia* Greensboro-High Point Raleigh
NE	Omaha
NH	Rockingham and Strafford Counties
NJ	Camden Elizabeth-Lakewood-New Brunswick Jersey City-Newark
NM	Albuquerque
NV	Las Vegas-Henderson-Paradise
NY	Albany-Schenectady-Troy Bronx-Manhattan Buffalo-Cheektowaga-Niagara Falls Nassau, Kings, Queens and Richmond Counties Port Chester-White Plains-Yonkers Poughkeepsie-Newburgh-Middletown Rochester Suffolk County Syracuse
OH	Akron Cincinnati* Cleveland-Elyria* Columbus Dayton Toledo Youngstown-Warren-Boardman
OK	Oklahoma City Tulsa

Table 1. Competitive Bidding Areas (CBAs) by State (cont.)

State	CBA Name
OR	Portland-Hillsboro-Beaverton
PA	Allentown-Bethlehem-Easton Mercer County Philadelphia Pittsburgh* Scranton-Wilkes-Barre-Hazleton
RI	Providence
SC	Aiken and Edgefield Counties Charleston-North Charleston Chester, Lancaster and York Counties* Columbia Greenville-Anderson-Mauldin
TN	Chattanooga Knoxville Memphis Nashville-Davidson-Murfreesboro-Franklin
TX	Austin-Round Rock Beaumont-Port Arthur Dallas-Fort Worth-Arlington* El Paso Houston-The Woodlands-Sugar Land McAllen-Edinburg-Mission San Antonio-New Braunfels
UT	Salt Lake City
VA	Arlington-Alexandria-Reston Richmond Virginia Beach-Norfolk-Newport News
WA	Seattle-Tacoma-Bellevue Vancouver
WI	Kenosha County Milwaukee-Waukesha-West Allis Pierce and St. Croix Counties
WV	Huntington

* External infusion pumps and supplies are included in the DMEPOS Competitive Bidding Program in these areas only. The items will no longer be included in the program beginning January 1, 2017.



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 all of 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
- ◆ 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
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.

Table 2. Travel Scenarios

If beneficiary permanently lives in...	And travels to...	He or she may go to...
A CBA	A different CBA	A Medicare contract supplier for items included in the Program in the CBA to which the beneficiary traveled
A CBA	An area NOT included in the Program	Any Medicare-approved supplier
An area NOT included in the Program	A CBA	A Medicare contract supplier for items included in the Program in the CBA
An area NOT included in the Program	An area NOT included in the Program	Any Medicare-approved supplier

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.[1] 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 diabetes testing supplies?

Beneficiaries may choose to pick up diabetes 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.

Beneficiaries with Original Medicare will need to use a national mail-order contract supplier for any mail-order diabetes testing supplies delivered to their home.

The Medicare-approved amount for diabetes testing supplies will be 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 diabetes testing supplies in person at any Medicare-enrolled supplier storefront; however, these retail locations may or 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 diabetes testing supplies in person at a store should check with the store to find out what their copayment will be.

[1] The permanent residence is the address on file with the SSA. It is the address to which the SSA mails checks and/or correspondence to the beneficiary.

Additional Information

For more information about the DMEPOS Competitive Bidding Program, visit <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid> on the CMS website.

Beneficiary-related information can be found at <https://www.medicare.gov> on the Internet.



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