

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



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

Mail-Order Diabetes Supplies

Under the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (the Program), beneficiaries with Original Medicare who obtain competitive bidding items in competitive bidding areas (CBAs) are required to obtain these items from a contract supplier, unless an exception applies. The national mail-order competitive bidding program for diabetes testing supplies was implemented on July 1, 2013 through June 30, 2016, and 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 national mail-order recompetete contracts and prices are effective July 1, 2016, for the same areas.

What does mail-order mean?

The term "mail-order" means items shipped or delivered to the beneficiary's residence regardless of the method of delivery.

Only contract suppliers will be reimbursed by Medicare for diabetes testing supplies delivered to beneficiaries' residences. Contract suppliers are required to use the KL modifier on each claim for diabetes testing supplies furnished on a mail-order basis. Suppliers that furnish diabetes testing supplies on a mail-order basis that do not attach the mail-order modifier could be subject to significant penalties.



Do Medicare beneficiaries have the option to purchase diabetes testing supplies on a non-mail-order basis?

Beneficiaries with Original Medicare have two options to purchase their diabetes testing supplies:

1. Beneficiaries can have their diabetes testing supplies delivered directly to their home by a national mail-order contract supplier (mail-order)
2. Beneficiaries can pick up their supplies in person from any Medicare-enrolled supplier of diabetes testing supplies (non-mail-order)

Beneficiaries with Original Medicare 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 the supplies are furnished. Medicare contract suppliers must always accept assignment on these items. This means **contract suppliers** 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 accredited to furnish these items; 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 the store should check with the store to find out if they will need to pay more than the 20 percent coinsurance and unmet deductible if they purchase their supplies from that particular store.

Can contract suppliers ask beneficiaries to switch their glucose monitors?

No. Contract suppliers for the national mail-order program are prohibited from influencing or incentivizing beneficiaries to switch their current glucose monitor and testing supplies brand to another brand. This is called the anti-switching rule. The anti-switching rule requires contract suppliers to furnish the brand of testing supplies that works with the beneficiary's monitor. If the contract supplier does not carry the beneficiary's brand of testing supplies, the beneficiary can ask the contract supplier about alternative brands and the supplier can then describe what brands it offers. However, the supplier cannot initiate the conversation.

Contract suppliers will be required to make available the same range of products to Medicare beneficiaries that they make available to non-Medicare customers. In addition, the Program 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.

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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