

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Drug and Health Plan Choice
7500 Security Boulevard, Mail Stop S3-16-16
Baltimore, Maryland 21244-1850



MEDICARE PLAN PAYMENT GROUP

DATE: August 5, 2008

TO: All Medicare Advantage Organizations, Cost Plans, PACE Organizations and Demonstrations

FROM: Tom Hutchinson, Director
Medicare Plan Payment Group

SUBJECT: DMEPOS Competitive Bidding Program – Impact on Medicare Advantage Plans – (Rescission of June 19, 2008, HPMS Memorandum)

With passage of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), the HPMS memorandum of June 19, 2008, entitled “DMEPOS Competitive Bidding Program – Impact on Medicare Advantage Plans” is rescinded. Section 154 of the MIPPA delays implementation of round one of the DMEPOS competitive bidding program until 2009, when a new competition will be conducted for the round-one product categories (excluding both negative pressure wound therapy items and services and certain complex rehabilitative power wheelchairs) in the round one areas (excluding Puerto Rico).

Items that had been included in the first round of the DMEPOS Competitive Bidding Program in 2008 can again be furnished by any enrolled DMEPOS supplier in accordance with existing Medicare rules. Payment for these items is to be made under the fee schedule.

When the modified DMEPOS Competitive Bidding Program is implemented under original Medicare we will keep you informed regarding its impact on your organization and health plans.

If you have any questions regarding the DMEPOS competitive bidding program, please contact your CMS plan manager. If you have any questions about this HPMS notice, please call Frank Szefflinski at CMS on (303) 844-7119.