

Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Competitive Bidding Program
Health Status Monitoring
Summary of Findings through the First Quarter of 2012

No changes in beneficiary health outcomes resulting from the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program have been observed to date.

Since the implementation of the competitive bidding program in January 2011, CMS has monitored three groups of beneficiaries in each of the nine Round 1 Rebid competitive bidding areas (CBAs).

1. “Enrolled Population”—all people in the CBA enrolled in Original Medicare
2. “Utilizers”—Original Medicare beneficiaries in the CBA who are actively using one of the competitively bid products
3. “Access Groups”—eight groups of Original Medicare beneficiaries who are likely to use one of the competitively bid products on the basis of related health conditions. In the case of mail-order diabetic supplies, for example, the relevant access group would be composed of beneficiaries with diabetes.

Within these groups, CMS monitored usage rates and a wide range of health outcomes such as deaths, hospitalizations, emergency room visits, physician visits, admissions to skilled nursing facilities, average number of days spent hospitalized in a month, and average number of days in a skilled nursing facility in a month. We note that we monitored beneficiaries that discontinued using a competitively bid item after the program began in addition to beneficiaries currently using competitively bid items. We observed no changes in beneficiary health outcomes in any group. Separate workbooks displaying the aggregate and CBA-level rates for the three groups can be found on the CMS website.

The basic structure of the monitoring efforts considers historical and national trends in health status. To control for historical trends, the CBA’s historical baseline for each rate is provided, beginning in January 2009. To control for national trends and provide context for the CBA rates, a “comparator” region was established for each CBA. In general, rates in each CBA tracked closely to rates in its comparator both before and after the implementation of competitive bidding. It is important to note that the mortality and morbidity rates commonly display seasonal trends unrelated to the competitive bidding program (e.g., winter months of each year typically have elevated rates of mortality and morbidity). It is also important to note that rates that appear more variable tend to be based on a smaller number of beneficiaries. In the workbooks available on the CMS website, the approximate size of each population is shown in parentheses in the legend as a guide.