



## What You Should Know if You Need Medicare-covered Equipment or Supplies

### Information About the Medicare DMEPOS Competitive Bidding Program

You may have heard that Congress changed the way that Medicare determines how much it pays for certain durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) and who can furnish these items. Starting in July 2008, you'll begin to see the effect of a new Competitive Bidding Program in certain areas of the country. Here's what you need to know about this new program.

### Who will be affected by the new Competitive Bidding Program?

The new Competitive Bidding Program applies to you if your permanent residence is in a zip code that is part of a Competitive Bidding Area (CBA), or if you get certain items while visiting a CBA. Your permanent residence is the address where Social Security mails your benefits check. The following areas will be initially affected:

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>• Charlotte-Gastonia-Concord, NC-SC</li><li>• Cincinnati-Middletown, OH-KY-IN</li><li>• Cleveland-Elyria-Mentor, OH</li><li>• Dallas-Fort Worth-Arlington, TX</li><li>• Kansas City, MO-KS</li></ul> | <ul style="list-style-type: none"><li>• Miami-Fort Lauderdale-Miami Beach, FL</li><li>• Orlando-Kissimmee, FL</li><li>• Pittsburgh, PA</li><li>• Riverside-San Bernardino-Ontario, CA</li><li>• San Juan-Caguas-Guaynabo, PR</li></ul> |
|--|--|

**To find out if your zip code is included in a CBA, call 1-800-MEDICARE (1-800-633-4227). TTY users call 1-877-486-2048. You can also search CBAs and zip codes by visiting [www.medicare.gov](http://www.medicare.gov) on the web. The program is scheduled to expand to 70 additional areas in 2009.**



## What is the Competitive Bidding Program?

The new Competitive Bidding Program lets Medicare use competitive bids submitted by suppliers to determine the amount Medicare pays for certain medical equipment and supplies. The program will help save you money; ensure that you can get quality medical equipment, supplies and services; and help limit fraud and abuse in the Medicare program.

## How does this new program work?

Under the new Competitive Bidding Program, suppliers who do business in a Competitive Bidding Area (CBA) must submit a bid in order to be awarded a contract to sell to people with Medicare. Contracts will only be awarded to those suppliers who offer the best price; who meet Medicare's eligibility, quality and financial standards; and who are accredited by an independent accrediting organization. These suppliers are called "contract suppliers."

In most cases, only contract suppliers will be able to provide people with Medicare with certain items and file claims with Medicare for payment. Contract suppliers can't charge more than the single payment amount set by Medicare based on the bids received for an item, and this price can't be higher than the current Medicare (fee schedule) allowed amount.

## How do I know if my equipment or supplies are included in the Competitive Bidding Program?

Ten product categories are included in the Competitive Bidding Program:

- Oxygen supplies and equipment
- Standard power wheelchairs, scooters, and related accessories (includes wheelchair cushions)
- Complex rehabilitative power wheelchairs and related accessories (includes wheelchair cushions)
- Mail-order diabetic supplies
- Enteral nutrients, equipment, and supplies
- Continuous Positive Airway Pressure (CPAP) devices and Respiratory Assist Devices (RADs) and related supplies and accessories
- Hospital beds and related accessories
- Negative pressure wound therapy devices and related supplies and accessories
- Walkers and related accessories
- Group 2 support surfaces, including mattresses and overlays (in Miami-Fort Lauderdale-Miami Beach and San Juan-Caguas-Guaynabo only)

**To check if an item you use is included in the program, call 1-800-MEDICARE (1-800-633-4227) or visit [www.medicare.gov](http://www.medicare.gov) on the web. TTY users call 1-877-486-2048.**



## **Do I have to get any new supplies or equipment that I need from a contract supplier?**

If the equipment or supplies ordered by your physician or treating practitioner are included in the Competitive Bidding Program where you live, you must get your equipment or supplies from a contract supplier. However, your doctor or treating practitioner can supply certain items, including a walker, to you as part of his or her professional service even if he or she is not a contract supplier. If you live in a Skilled Nursing Facility or Nursing Facility, your facility may be able to supply your equipment or supplies directly if it becomes a contract supplier. If your facility does not become a contract supplier, it must use a contract supplier from the CBA.

If you travel to or visit an area that is included in the Competitive Bidding Program and need to get equipment or supplies that are part of the Competitive Bidding Program for that area, you must get those items from a contract supplier for that area.

## **What if I need a specific brand of item or supply?**

If you need a specific brand of equipment or supplies, or you need the item in a specific form, your doctor must prescribe the specific brand or form in writing. Your doctor must also document in your medical record that you need this specific brand or form for medical reasons.

Your contract supplier will fill your doctor's prescription as written. If the item isn't available, the supplier will either work with your doctor or treating practitioner to find an appropriate alternative, or help you locate another contract supplier who can meet your needs.

## **How will I know if my supplier is a contract supplier?**

To see a list of the contract suppliers in your area or to check if a supplier you use is included in the program, call 1-800-MEDICARE (1-800-633-4227) or visit [www.medicare.gov](http://www.medicare.gov) on the web. TTY users call 1-877-486-2048. A Supplier Locator Tool on [www.medicare.gov](http://www.medicare.gov) will help you locate a DMEPOS contract supplier in your area.

## **Do I have to change doctors?**

No. The Competitive Bidding Program does not affect which doctors you can use.



## **Do I have to change suppliers if my current supplier was not awarded a contract?**

You may have to change suppliers to continue having Medicare pay for your item, but the earliest you would have to change would be July 2008. However, if you are currently renting certain medical equipment or oxygen, you may have the choice to stay with your current supplier. Non-contract suppliers can become “grandfathered” suppliers and continue to rent items to people with Medicare who permanently live in a CBA if they rented the item to a person prior to the new Competitive Bidding Program. When you use a grandfathered supplier, you are still responsible for a 20% copayment and any unmet Part B deductible.

If your current supplier of rented equipment decides not to be a grandfathered supplier, you must switch to a contract supplier instead.

## **Does the Competitive Bidding Program change the way I get my equipment repaired or replaced?**

For medical equipment you own, you can use any Medicare-enrolled supplier to make necessary repairs or get replacement parts for the equipment. If your item needs to be completely replaced, you will need to get the replacement item from a contract supplier.

## **Do I still have to meet my deductible and pay my 20% coinsurance?**

Yes. You are still required to meet your annual deductible. After you have paid your annual Part B deductible, Medicare pays 80% of the Medicare-approved amount for equipment, supplies and services, and you are responsible for a 20% coinsurance.

It is important to remember that for any equipment or supplies that are included in the Competitive Bidding Program, the contract supplier cannot charge you more than the 20% coinsurance and any unmet annual deductible. If you suspect that you are paying more coinsurance than the Medicare allowed amount, you can call 1-800-MEDICARE (1-800-633-4227) or call the Fraud Hotline of the HHS Office of the Inspector General at 1-800-447-8477.