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Transition Report

**Evaluation of the National
DMEPOS Competitive
Bidding Program**

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Task Order 14

Updated Draft Report

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NOTE: The views expressed by interview respondents reflect opinions provided during interviews conducted by evaluators. These respondent views do not necessarily reflect the rules and regulations of the Medicare DMEPOS competitive bidding program, or the opinions of the evaluators.

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1 Introduction

Pursuant to Section 302 of the Medicare Prescription Drug Improvement and Modernization Act of 2003 (Pub. L. 108-173), in 2008 the Centers for Medicare and Medicaid Services (CMS) began to phase in a competitive bidding program for durable medical equipment (DME), enteral nutrition, and off-the-shelf orthotics as a permanent part of Medicare. Under the MMA, DMEPOS competitive bidding programs were to be phased into Medicare so that competition under the program would occur in 10 areas in 2007. Consistent with the statutory mandate, CMS conducted the Round One competition in 10 areas and for 10 DMEPOS product categories. The program was implemented in July 2008, for two weeks, when it was delayed temporarily by the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA).

MIPPA delayed the program in 2008, terminated the Round One contracts that were in effect, and made other limited program changes. As required by MIPPA, CMS conducted the supplier competition again in 2009, referred to as the Round One Rebid. The Round One 60-day “rebid” began on October 21, 2009, and the new competitive bidding rates went into effect in nine competitive bidding areas (CBAs) on January 1, 2011. The competitive bidding program was launched in nine CBAs on January 1, 2011. The competitive bidding program will be expanded to 91 additional areas in 2013.

In preparation for the transition of the first nine areas to competitive bidding, CMS devised a six-month education and outreach strategy for informing Medicare beneficiaries, suppliers, referral agents, and other information intermediaries about the program. The strategy, which was launched in June 2010, was developed and executed by communications experts in CMS’ Central and Regional Offices. While not a large scale information campaign, the education and outreach plan comprised distinct components aimed at the program’s key stakeholders: suppliers; partners and providers; and beneficiaries.

CMS contracted with Abt Associates, Inc. (Abt) to conduct key informant interviews as the competitive bidding contracts went into effect in early 2011. The purpose of these interviews was twofold: (1) to document the strengths of CMS’ communications approach in the Round 1 CBAs, and identify potential areas for improvement, and (2) to detect any early signs of transition problems that beneficiaries might encounter as providers, beneficiaries, and other stakeholders adapted to competitive bidding. These interviews were timed to permit early feedback about stakeholders’ information needs so that CMS can adjust its approach in future rounds of competitive bidding.

2 Methodology

Between mid-January and early March 2011, Abt Associates conducted interviews with representatives of national and regional policy and advocacy organizations to obtain feedback on the content, timing, and adequacy of information regarding the Medicare DMEPOS competitive bidding program. Respondents included representatives of national and regional organizations that advocate for persons with Medicare, or whose membership includes persons with a disability or chronic condition, or those who provide medical or social services to Medicare beneficiaries. Respondents were asked about information supplied by CMS and other sources, as well as their organizations' outreach efforts surrounding the transition to competitive bidding. In addition, respondents were asked to describe early effects that they or members of their organizations have observed among Medicare beneficiaries since the implementation of the program, especially related to information gaps. The following sections describe recruitment, respondent characteristics, and the interview process.

2.1 Recruitment

In November 2010, Abt researchers compiled a list of approximately two dozen aging, disability, disease-specific, and provider organizations, the representatives of which would be asked to participate in the interviews. Organizations were identified through a variety of sources including: organizations that submitted comments on CMS' Federal Register notice regarding the DMEPOS competitive bidding evaluation; organizations related to CMS activities such as "need to know" CMS partners identified by the communications workgroup or listed in CMS' "DMEPOS Priority Partner" list; organizations that participated in prior case studies; Abt Associates' staff knowledge of beneficiary and provider organizations; and Internet searches. Care was taken to ensure that the list of candidates represented professionals familiar with the full range of DMEPOS products included in the competitive bidding program. As a preliminary step in recruiting, we used Internet searches, as well as professional contacts to identify potential respondents at the selected organizations who were aware of the DMEPOS competitive bidding program by virtue of their positions such as a policy advisor, government relations officer, or national coordinator.¹

Beginning in late December 2010, Abt staff began recruiting respondents by telephone and e-mail. Some prospective respondents referred us to another individual at the organization, including a few who worked for local affiliates, who were more familiar with the competitive bidding program. Multiple attempts were made to schedule interviews with each respondent. Follow-up phone calls or e-mails were made at least once weekly to those who did not respond to initial contacts, or who had agreed to participate but had not yet scheduled an interview. Prior to the interviews, emails were sent to respondents, reminding them of the scheduled interview and providing information about the project; these emails also contained a confidentiality agreement.

¹ Abt Associates staff, the CMS Project Officer, and members of CMS' Partner Relations Group provided contact information for individuals in these organizations with whom they had worked previously on DMEPOS competitive bidding and other areas of Medicare.

2.2 Respondent Characteristics

Interview respondents worked for organizations representing a wide range of constituents, including consumers and caregivers, health care professionals who prescribe DMEPOS products, and policy makers or advocates. Respondents were classified into three categories based on their organization's primary members or constituents:

- Seven (7) respondents came from organizations that primarily serve consumers/patients, such as those representing the older population and those serving patients with particular diseases or conditions involving DMEPOS;
- Five (5) respondents came from organizations that primarily represent health care providers and professionals whose clients may use DMEPOS; and
- Eight (8) respondents came from organizations that represent other types of clients, or a mix of consumers and professionals such as those representing Medicare beneficiaries and caregivers, and those representing clients and providers involved in health conditions that likely warrant use of DMEPOS.

Respondents work in a variety of positions within their organizations and have different mechanisms for obtaining feedback from their members and constituents. Some respondents' organizations operate call centers and get information directly from Medicare beneficiaries, while others are one or two steps removed from the field and receive anecdotal information as it filters through their organization.

2.3 Interview Process

During interviews, respondents were asked questions from a previously designed discussion guide,² including the following topics:

- Timing, sources, and usefulness of information they received regarding the DMEPOS competitive bidding program;
- Outreach and education activities conducted by the organization or CMS related to competitive bidding;
- Early effects of competitive bidding with respect to the quality and availability of DMEPOS products;
- Changes in supplier practices during the transition; and
- Issues raised by Medicare beneficiaries during the competitive bidding transition.

To capture respondents' early experience with competitive bidding, we planned to conduct all interviews during January 2011. However, the first respondents we interviewed in early January told us that, because the competitive bidding program was so new, they did not have much information to share concerning impacts on such outcomes as beneficiaries' equipment purchasing. Their experiences pertained mostly to CMS' public education and information activities. Further interviews were postponed until February.

² See the Appendix for a copy of the guide.

All interviews were conducted by an experienced interviewer, with a researcher taking notes. Interviews lasted between 20 and 60 minutes, depending on the amount of information the interviewee shared.

At the conclusion of some interviews, we shared the CMS web addresses where resources about the DMEPOS competitive bidding program were available for download. We provided this information to respondents who wanted additional information about certain aspects of the program.

3 Findings and Major Themes

This chapter describes findings and major themes that emerged from the 20 interviews. The chapter is divided into the following topic sections:

- Sources, timing and usefulness of information;
- Education and outreach to beneficiaries;
- Potential information gaps and ambiguities; and
- Early feedback about the competitive bidding program.

Major themes related to each topic are summarized in a text box at the beginning of each section.

3.1 Sources, Timing and Usefulness of Information

Respondents were generally quite familiar with the DMEPOS competitive bidding program, having followed its evolution from the early legislation, through the 2008 implementation, to the present transition. They received information about the competitive bidding program from a variety of sources and often more than one source. Most found CMS' information to be timely and useful, although several were unfamiliar with the extent of CMS information resources.

Respondents were asked if they had received any information regarding the DMEPOS competitive bidding program, the source(s) of that information, when it was received, and whether or not they found the information to be useful. We also explored the timeliness of information received by beneficiaries during the transition to newly-contracted DMEPOS suppliers.

Sources of Information about the DMEPOS Competitive Bidding Program

Nineteen of 20 respondents obtained some information regarding the DMEPOS competitive bidding program prior to being asked to participate in this study and more than half reported receiving information from more than one source. Sources of information included CMS, suppliers, patient/elder advocacy organizations, and provider trade organizations.

While CMS is an important source of information, many respondents are unaware of information resources offered by the agency. Over half (13 of 20) of the respondents reported receiving information about DMEPOS competitive bidding directly from CMS, most commonly from e-mail listservs. Some respondents reported participating in a telephone conference call, forum, or training session sponsored by CMS. Some respondents reported seeking information about the program by visiting either CMS.gov or reading the Federal regulations governing the competitive bidding program. One respondent reported searching for information on the website operated by the Competitive Bidding Implementation Contractor (CBIC) (www.DMECompetitiveBid.com). Despite being aware of these sources of information, nearly one-third of respondents were unaware of important resources such as fact sheets, guides for partners and beneficiaries, and other educational materials that are available for download on CMS' website.

Some respondents pointed out that CMS' information strategy was challenged to counter negative perceptions and information messages from other sources. Four organizations commented that CMS needs to strengthen its information about the competitive bidding program in general. One pointed out that there has been "a major drum beat" from providers raising

concerns about access under the program, yet there has been no strong CMS information campaign countering this negative publicity. Another felt that relative to the active efforts by DME suppliers about the competitive bidding program, such as letter writing campaigns, “CMS is losing the information war” and should seek to increase awareness about the availability of information related to the program. Two others felt that CMS should do a better job of positioning the program: one felt the program is currently linked with the idea of cutbacks, the other felt that CMS should emphasize that the program is not intended to create hardships but rather to allow Medicare to have more control, ensure providers are well credentialed, save the program and beneficiaries money, and reduce fraud and waste.

Timeliness of Information

Many interview respondents who received information from CMS reported that the information was timely, allowing them adequate opportunity to familiarize themselves with the program and to take whatever action they felt necessary to inform their members or constituents. Respondents were unable to comment about the timing of information provided to beneficiaries, as they were largely unfamiliar with those activities and had no feedback from beneficiaries on that topic.

Two of four respondents who reported that the timing of CMS’ information dissemination was inadequate suggested that information should be sent multiple times. One commented that because the program had been started, stopped and changed by Congress, the information dissemination should be “continuous and contemporaneous” in order to be helpful and relevant. He noted his disappointment that the CBIC website is not kept up to date, and his resulting reluctance to refer constituents to that website. He mentioned, for example, that in January 2011 the “What’s New” section of the CBIC website contained information that was two months old and he was not able to find any mention on the website that the program had begun. “If this [the CBIC website] is to be a key information tool, its timeliness and content should be strengthened,” he said. A fourth respondent commented that the delay in announcing the winning suppliers made it difficult for health care providers to direct their patients.

Usefulness of the Information

Most respondents mentioned at least one type of information from CMS that they found to be useful. Two respondents favorably compared the information available for the 2011 transition to that which was available in 2008. “The material is much clearer than before—it doesn’t require a translator,” stated one respondent. For some respondents, CMS e-mails, teleconferences, forums, and trainings furnished useful information for stakeholders. Respondents who were familiar with CMS’ beneficiary-related materials such as tip sheets and flyers found these useful. As noted in Section 2.3, we provided the web addresses for the fact sheets to respondents who reported needing additional information and who were not aware of these resources. Two who visited the site during our interview reacted favorably upon reading the materials. One of these exclaimed, “This is fantastic! I wish I knew about these [fact sheets] earlier.”

Four respondents who read the Federal Register notice found it to be very informative. Some others reported that information from Medicare advocacy organizations, supplier groups, and trade newsletters was useful.

Some respondents commented that while the content of the CMS information was useful, they edited the materials to make them more relevant and easily understood by their audiences. Two felt that some of the information should be rewritten to a fifth grade literacy level; another felt

that the information was too technical and should be translated into terms that are more easily understood by beneficiaries and providers.

Locating Information

Three respondents specifically voiced concern about finding information on the CMS website, and one pointed out that the average consumer is unaware of the website. Two of these respondents noted that much effort is required to find information on the CMS website, even when one is aware that information exists there. The phone number for the complaint line was cited as an example, with one respondent opining that the number is “buried” in the CMS website, and beneficiaries would likely have difficulty finding it.

Usability of Online Communications Tools

While we did not specifically ask respondents about specific communications tools, one respondent reported having difficulty with some of CMS’ online communications tools while two others identified potential accessibility problems for certain populations.

One respondent reported a few unsuccessful attempts using CMS’ online information tools. When she first tried to use an interactive tool to locate suppliers, the function for entering a zip code was not working properly. She also tried to sign up for a competitive bidding forum but several e-mails sent to the coordinator bounced back. She would have preferred an option to register by phone, as a back-up, but no phone number was listed.

Two respondents who appreciated being able to download materials such as fact sheets and brochures from the CMS website commented that some electronic reading devices cannot interpret .PDF documents, making the material inaccessible to people with disabilities who use those devices. In addition, people who use a dial-up Internet service, common in rural areas, may be unable to download .PDF documents due to bandwidth constraints. These respondents suggested that CMS offer important materials in both Word and .PDF formats.

CMS Forums/Online Trainings

Six respondents mentioned CMS forums and/or online trainings or webinars about DMEPOS competitive bidding. Five of these, however, noted problems with CMS logistics around these forums:

- Three respondents were concerned about coordination of the events. Two of these noted that there had been no follow-up by CMS after the delays in the online trainings; no information was provided as to whether these were to be rescheduled. The third respondent mentioned with frustration that their organization had tried multiple times to sign up for a forum at CMS.gov but the site did not work, and because CMS provided no phone number for contacts, the organization was unable to confirm if the forum was going to occur.
- One respondent felt that the CMS open door forum held in January was not helpful because the information presumed a high level of prior understanding of the program.
- One respondent felt that the beneficiary forums held in 2010 in which CMS teamed with other organizations were unsuccessful and poorly attended because beneficiaries were not aware that they were taking place. (It was unclear whether the respondent felt that CMS or its partners should have done more to advertise the forums.)

3.2 Education and Outreach to Beneficiaries

Most of the organizations we interviewed had conducted education and/or outreach around the competitive bidding transition. Methods they used to reach their constituents included e-newsletters, DME-related postings on the organization's website, and trainings. Most were not aware of any education and outreach aimed directly at beneficiaries or caretakers conducted by CMS, other than CMS' webinars and listservs.

We asked respondents about any outreach and education that their organization had undertaken regarding the competitive bidding program transition. We also explored the extent to which they were aware of any CMS activities to reach out to beneficiaries.

Education and Outreach Conducted by Respondent Organizations

Of the 20 organizations interviewed, 14 reported having recently conducted education and/or outreach about DMEPOS competitive bidding, either in late 2010 or early 2011, using a variety of strategies:

- Including DME information in routine blast emails or e-newsletters to members. For example, one organization asked members to relay any patient feedback to another association (other than the respondent's organization or CMS). Another organization included a message referring beneficiaries to the DMECompetitiveBid.com website.
- Posting DME information on the organization's website. This ranged from posting some of the CMS DMEPOS materials related to a December CMS DME conference call (including sample communication pieces such as handouts and talking points), to developing a separate DME-specific web page.
- Making CMS' DME tip sheets available.
- Providing competitive bidding information to an organization's call center, including referrals to the 1-800-Medicare helpline.
- Including DME information in trainings, such as the first nine locations affected by DMEPOS, and what to do about DME coverage when traveling.

Three of the interview respondents who had conducted education or outreach to beneficiaries indicated that they used CMS materials in their education and outreach efforts, either using entire publications or editing relevant pieces into more targeted information for their members. Three respondents included a reference to CME-related websites in their outreach (MedLearn Matters on the www.CMS.gov website, www.DMECompetitiveBid.com or "the CMS website" in general). One specifically mentioned that they include a reference to the 1-800-Medicare helpline in their information for consumers.

Two of the respondents who had conducted education or outreach intended to expand these efforts, including sending targeted mailings to members who live in the affected areas.

Six respondents had not conducted any education and outreach around competitive bidding. Three of these indicated that they felt other Medicare issues were a higher priority for their constituents, one seemed largely unaware about the competitive bidding program, and one felt that they were not sufficiently informed about the program to be able to educate their members. (The sixth did not provide a reason for their lack of consumer outreach.)

Awareness of CMS' outreach

While several respondents mentioned the CMS conference calls, tele-seminars, or receiving CMS materials through listservs (discussed in section 3.1), most were not aware of any CMS outreach aimed directly at beneficiaries. Of the 20 respondents, 15 had not heard of any beneficiary outreach that CMS had done regarding the transition. Two had heard that CMS sent letters to beneficiaries in areas affected by the transition, one was aware of CMS' Fall 2010 outreach but had not heard of anything since then, and one had participated in joint outreach trainings with CMS. One did not comment.

3.3 Potential Information Gaps and Ambiguities

At the time of our interviews, most respondents had not received any questions, complaints or feedback about the transition to competitive bidding contracted suppliers. Most interpreted this as a reflection of the fact that the transition was still in its early stages. Over half of the respondents pointed out potential ambiguities or gaps, where more and clearer information would be helpful for beneficiaries, including: beneficiary rights, expectations of suppliers (such as responsibilities for maintenance and repair), traveling with DME, grandfathered suppliers, and particular aspects of the program such as oxygen coverage or hospice care.

We asked respondents whether they had been contacted by constituents since the transition began and the nature of these contacts.

Most respondents (16 of 20) reported that since January 1, they had not received any questions, complaints or feedback from their constituents about the transition to competitive bidding contracted suppliers. Most did not see this as an early indication that the program was working successfully, but instead pointed out several factors that could account for the lack of contact about the transition:

- *Time lags in receiving feedback from constituents:* Some indicated that it usually takes 2-3 months for feedback to reach them, because they typically hear of questions or problems only after their local affiliates or professional members raise them to the national level. In addition, they expected it would take time for DMEPOS users to purchase equipment or supplies, identify any issues or concerns, and decide whether to contact the supplier or someone else with a question or complaint.
- *Delays in experiencing the program:* Some respondents pointed out that since the program became effective January 1, beneficiaries may not yet have a need to purchase DMEPOS equipment or supplies under the program. Some DMEPOS users may have stocked up on supplies or obtained equipment before the transition and would not yet have a need for more items. Some who use wheelchairs or walkers do not typically think of obtaining a new device during the winter months. Also, some DMEPOS users might not yet have received bills from their newly-contracted suppliers, due to lags in billing cycles.
- *DME affects a relatively small proportion of people:* Respondents mentioned that the transition is only in a few geographic areas, and affects a relatively small segment of the Medicare population. A few also pointed out that only long term DMEPOS users might be likely to notice a difference in the way the new program works and perhaps ask questions; new or short term users might not be aware of any change.

- *DME affecting suppliers or vendors more than beneficiaries:* One respondent felt that the competitive bidding program will initially affect suppliers; its impact on beneficiaries will initially be more indirect.
- *Other priorities:* Several respondents commented that they have many more important and wide-reaching issues about which their constituents require information, including other aspects of the Medicare program such as the low income subsidy; with limited resources those other issues took priority.

Questions Raised by Constituents

Only four of the 20 interview respondents had been contacted by constituents since the transition began:

- One organization received queries about maintenance of oxygen equipment under competitive bidding, and complaints or questions from patients who use oxygen and have to travel (e.g., how their devices would be serviced if needed, and what are their rights).
- One organization had received two complaints about competitive bidding in general, two about products not being covered, and four requests for more information about the program.
- One organization had received a few questions about policy issues (e.g., why not simply update the fee schedules rather than instituting competitive bidding), confusion about which zipcodes were included in the competitive bidding areas (1-800-Medicare had provided erroneous information about a particular zipcode), and questions about access (e.g., new suppliers did not carry the same brands as the customer had used in the past; difficulty finding a supplier who would customize a wheelchair).
- One organization had received a question about coverage of group 3 complex rehabilitation wheelchairs (which was apparently not explained in any competitive bidding documents) and a question from a consumer who had thought that “competitive bidding” meant that patients were responsible for obtaining bids from suppliers.

A fifth respondent had received a few questions at the end of 2010 as the transition was about to occur. These involved which geographic areas would be affected, and questions about what to expect under competitive bidding when traveling with DMEPOS.

Questions Raised by Stakeholders

While the number of questions or concerns raised by constituents was low in the first months of the transition, 13 of the 20 respondents noted ambiguities or information gaps that they themselves had identified, but which had not been raised by constituents. Some felt that beneficiaries may not know which questions to ask, may have incorrect information about the program, or may not have yet had a chance to directly experience the program. One noted that because the program had started and stopped in the past, and has been talked about for a long time, there is a lot of information that may either cause confusion or might have been forgotten and needs to be repeated. Two respondents noted that they themselves were not at all familiar with the competitive bidding program (one did not know that it was rolled out in only in nine geographic areas), or felt that their professional members who were health care providers were not familiar with it.

Respondents noted the following information gaps about the program:

- *Confusion about program rollout:* The fact that the program is being rolled out in stages has caused some confusion; some respondents felt that it was still not clear which geographic areas were affected by Round One. While CMS may have mailed notices to beneficiaries in the affected areas, some beneficiaries outside of those areas are confused about their own status vis a vis the program. Also, one respondent felt that there was some confusion about whether final selection of competitive bidding suppliers had taken place.
- *Beneficiary rights:* Some respondents felt that beneficiaries are uncertain about their rights or whom they should contact to communicate concerns or complaints (e.g., the supplier, 1-800-Medicare, a DME complaint line). One respondent had researched this issue and found a CMS complaint line number “buried in one of the CMS websites.” He voiced concern about whether a beneficiary would be able to find the number.
- *How the competitive bidding program’s grandfathering clause works.* For example, one respondent suggested that CMS could better explain how competitive bidding relates to physician practices that provide DMEPOS through their offices. Three other respondents felt that grandfathering could be better explained but did not offer specific suggestions.
- *CMS’ expectations of suppliers:* Several respondents mentioned the need to have clearer expectations about provider service, product quality, and patient education. For example: Who should service or maintain the product? What happens when the 36-month cap on rental equipment is reached - what services will be provided in month 37? If the original product supplier is not in the competitive bidding program, who should perform maintenance or adjustment of the product? What service levels should suppliers provide? What happens when a competitive bidding supplier does not have a particular item? Which suppliers should referral agents and others work with and if none carry a particular item, can they go outside of the locally approved suppliers to obtain it?
- *Ambiguities about oxygen:* There is a need for more information about oxygen equipment categories and the nuances of equipment included under competitive bidding. For example, competitive bidding information refers to portable oxygen devices in general but does not distinguish between a 2-hour or 4-hour portable source of oxygen, which have different pricing. If the oxygen order is not completely filled out by the prescribing physician, DME suppliers might substitute a lower priced option.
- *How do DME contractual pricings under the competitive bidding program relate to hospice daily rates?* One respondent felt that DME competitive bidding contracted suppliers may not know how to handle hospice contracts.
- *What happens when a person with DME travels?* Three respondents mentioned the need to clarify information for travellers. For example: What happens if the equipment needs repair? How are oxygen supplies handled for patients when they travel? What happens if a person living in a non-competitive bidding area travels to a competitive bidding area and needs services?

3.4 Early Feedback about the Competitive Bidding Program

The transition interview task took place very early in the transition, and this was reflected in the feedback about the program. No respondents had yet observed any impact of competitive bidding on beneficiaries or providers, and most were unable to comment on whether the program would ultimately be successful.

Interviewers asked respondents for their observations of any early program impacts on beneficiaries, referral agents, or suppliers. We also asked whether respondents felt the program would ultimately be successful; results are summarized below.³

Early Program Impacts

None of the respondents had observed any impacts on beneficiaries, referral agents or providers, pointing out that it was still too early in the transition to be aware of such impacts. One suggested that the first indications will be among patients who rely on DMEPOS to be functional and independent, such as those with a disability or chronic conditions. These beneficiaries are very familiar with their own DMEPOS needs and would likely be some of the first to notice if there are problems.

Respondent Expectations of Whether the Program will be Successful

We asked respondents whether they thought the program would ultimately be successful.

Twelve of the 20 respondents were not sure how to answer, explaining that it was too early to make inferences about the program's ultimate success. Others commented that their answers would depend on how "success" is defined, or would depend on supplier behavior (e.g., would suppliers begin supplying inferior/cheaper products to beneficiaries?). Some respondents also commented on particular dimensions of the program:

- One added that the overall competitive bidding idea is good but may not be suitable for ventilators and oxygen equipment since the current design allows too much latitude for suppliers to underserve patients.
- One noted that it was unfortunate that the design does not distinguish between long term and short term DME users.
- One noted that the program would likely not work well for clients who need a high level of assistance with supplies and equipment.
- One wondered why Congress/CMS did not simply tighten the rules for DME suppliers to be credentialed, and leave the rest of the DME process as it was.

Five respondents felt that the program would probably be successful. Two of these added that the approach of phasing it in and monitoring the phase-in is a good one: one indicated "If [CMS] rolls it out properly it will probably be good." One felt that the program would probably be successful as long as it did not negatively impact beneficiaries or physicians, observing that "CMS' goal is to reduce the number of suppliers and control dollars; the issue of quality is not its

³ Note that some participants also wanted to provide feedback on the competitive bidding program design and regulations. Since we did not consistently collect information on this (only when volunteered by participants) and since the program has already been mandated and implemented, such feedback is not directly relevant to the purpose of this report and is not included.

job, CMS' job is finance." Another felt that the program would succeed if people got the supplies they needed, were satisfied with the quality, and the program saved money.

Two of the three remaining respondents indicated that they hoped it would succeed; the other did not answer the question.

4 Using Round One Transition Feedback to Prepare for Round Two

The materials CMS has prepared are seen as both useful and helpful. To build on the early success of the Round One outreach effort, CMS may wish to consider the following communications approaches in planning for the much larger future rounds of competitive bidding:

- *Provide ongoing, contemporaneous information about the program.* Continue to provide information about the program in Round One areas, while releasing information about upcoming CBAs. For example: update a set of Frequently Asked Questions as the program expands and more specific questions are identified, and ensure that the CBIC website is always up-to-date.
- *Continue training and information sessions for partners and ensure that any changes in training/webinar schedules are well publicized.* Partners depend on this information in order to have confidence that they can conduct outreach or answer questions from their members and clients.
- *Continue to inform and remind partners of the availability of information resources and CMS' beneficiary outreach activities, primarily through CMS email/listservs.*

Early feedback indicates that more outreach is needed to help stakeholders find the useful information and materials CMS has made available. Efforts to increase awareness of Fact Sheets and other materials, and to make these resources easier to find, will improve the program in Round Two.

In addition, more clarity is needed on the following topics:

- *Beneficiary rights and whom to contact:* Clearly indicate whom beneficiaries should contact when problems arise, with procedures for complaints that are easy to find and to follow.
- *Beneficiary rights when traveling:* Provide more information about access and rights when traveling, such as what to do if equipment needs repairs or if more supplies or oxygen are needed by patients when they travel.
- *Expectations of suppliers:* Provide information about what should be expected of suppliers in terms of service levels, product quality, patient education, and who should be the responsible supplier to service/maintain a product obtained prior to the competitive bidding program.
- *Rental equipment:* Provide information on what happens when the 36-month cap on rental equipment is reached, and what services will be provided in month 37.
- *Obtaining needed items:* Offer guidance for referral agents and patients about what to do if none of the contracted suppliers in an area carry a particular (prescribed) item.
- *Provide more information about grandfathering:* Provide more detail and beneficiary-relevant examples of how grandfathering would work in different scenarios.
- *Clarify ambiguities about oxygen:* Provide more information about oxygen equipment categories and the nuances of equipment included under competitive bidding. For example, if

the oxygen order is not completely filled out by the physician and DME suppliers substitute a lower priced option, can the patient request an alternative?

- *Clarify information about complex wheelchairs:* Specify how group 2 and group 3 complex rehabilitation wheelchairs are treated under competitive bidding.
- *Competitive bidding suppliers serving hospice patients:* Clarify how DMEPOS contracted prices relate to hospice daily rates.

Finally, the following improvements would make information about DMEPOS competitive bidding more accessible for patients with disabilities or low-literacy:

- *Use large-size font for all print materials.*
- *Ensure that beneficiary materials are presented at a fifth grade literacy level.*
- *Make documents available in Word and PDF formats to accommodate electronic readers and slow Internet speeds.*
- *Create video webinars aimed at patients that feature people explaining the program in lay terms.* The videos should convey: what's happening; who is affected; and where to go for more information.

Key Informant Discussion Guide: Beneficiary Groups/Advocates (Regarding the Transition to DMEPOS Competitive Bidding)

We will inform each person up front of the following:

- *The discussion should take no more than 60 minutes*
- *Participation voluntary. You can refuse to answer any question asked.*
- *The interview will not be tape recorded.*
- *To the extent possible, Abt will report on findings in a manner that does not identify any individuals or organizations. However, it is possible that certain feedback that we report may be specific to the types of stakeholders you represent, which may enable identifying your organization. Also, we want to again note that a few staff at CMS helped us in identifying a list of potential organizations to interview; as such, they are aware of which organizations we are contacting.*
- *You may at any point indicate that you wish to keep a particular statement confidential.*

Review purpose of the interview: *CMS is working with Abt Associates Inc., a social science research firm, to assist in gathering information about the DME competitive bidding transition. One goal of our work is to obtain feedback from the field on the information available to Medicare beneficiaries and their experiences regarding access to DME during the transitional phase. To that end, we have identified organizations such as yours, whose perspectives would be very useful for the Abt study.*

Warm-up: Please give us a brief overview of your role in the organization and the extent to which you or your organization receives feedback on information or issues related to Medicare beneficiaries.

1. **What information has your organization received regarding the DMEPOS Competitive Bidding Program?**
 - ❖ What, in particular, did you receive?
 - ❖ When?
 - ❖ From whom?
 - ❖ Did you find this information helpful?
 - ❖ What questions still remain for you?
 - ❖ What additional information would have been helpful?
2. **What, if anything, has your organization been doing with regard to Medicare beneficiaries, DMEPOS and this relatively new program?**
 - ❖ Educational activities
 - ❖ Outreach

3. Have members/clients asked about the program?
 - ❖ What types of questions or comments have you received?
 - ❖ What are the primary concerns or issues being raised?
4. Have any suppliers contacted you regarding the program?
 - ❖ What was the purpose of the contact?
 - ❖ What was your response?
5. Did CMS conduct any outreach efforts to educate beneficiaries about the program through your organization? Please describe.
6. How do you think DMEPOS suppliers have changed over the past few months (under the competitive bidding program)?
 - a. Has the number of suppliers changed? Is it adequate to meet current demand?
 - b. Has there been a change in suppliers? (i.e. those not part of the program)
 - c. Has there been a change in how suppliers compete? Based on what?
 - ❖ Quality?
 - ❖ Price?
 - ❖ Service?
 - ❖ Referral agents?
 - d. Have local suppliers changed how they market their products and services?
7. Have you noticed any impact of the program on Medicare beneficiaries?
 - ❖ Access to DMEPOS?
 - ❖ Quality of DMEPOS?
 - ❖ Diversity of products? Choice?
 - ❖ Quantity and quality of ancillary support services – education, maintenance, etc.?
 - ❖ Health consequences for patients?
 - ❖ Lower out of pocket costs for beneficiaries?

8. With respect to the adequacy and timing of information received by beneficiaries:
 - ❖ Were beneficiaries adequately informed about the transition?
 - ❖ In what manner were they informed and by whom?
 - ❖ Was this information received enough in advance?
 - ❖ In your opinion, were beneficiaries aware of what they needed to do?
 - ❖ Were they able to make a smooth transition?
 - ❖ What other information might they have found helpful?
9. What issues have been arising during the transition for beneficiaries using DMEPOS products?
 - ❖ Confusion about grandfathering rules for certain DME products?
 - ❖ Delayed delivery of mail-order supplies (enteral nutrition products, diabetic supplies)?
 - ❖ Difficulty finding suppliers to serve beneficiaries in some areas?
 - ❖ Delays in getting DMEPOS products or services?
 - ❖ Any other transition issues?
10. Do you think the program will ultimately be successful? Why or why not?"
11. Do you have any final comments about the relatively new competitive bidding program for Medicare beneficiaries and DMEPOS?

Wrap Up

Were there any questions regarding the competitive bidding program that we haven't asked, or is there any other information you wish to note before we conclude?

Thank you for your participation, we greatly appreciate your taking the time to provide your perspectives. We might be contacting you at the end of this month by email, to see if anything has changed since today's discussion, just to be sure we're reporting on as current information as possible.

IF THEY ASK FOR MORE INFORMATION ABOUT DMEPOS, for them or their constituents:

– Refer them to the CMS website’s Medicare Learning Network (MLN) that provides factsheets on DMEPOS, at
http://www.cms.gov/MLNProducts/downloads/DMEPOS_Competitive_Bidding_Factsheets.pdf

–Also, www.Medicare.gov/Publications contains information about DMEPOS – it has a search tool to locate relevant publications, including the factsheets (organizations can refer their constituents to this user-friendly site).

– There are several useful documents produced by CMS at:
http://www.cms.gov/Partnerships/03_DMEPOS_Toolkit.asp