



## Client Alert

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### **CMS Announces Timeline for Round Two of Medicare DMEPOS Competitive Bidding**

#### ***Also Announces National Mail Order Competition for Diabetic Testing Supplies***

The Centers for Medicare & Medicaid Services (CMS) has published the timeline and related information for Round Two of the Medicare Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Competitive Bidding Program. In addition, CMS announced that it will also be conducting a National Mail Order bidding competition for diabetic testing supplies.

As a brief reminder, CMS instituted the Medicare DMEPOS Competitive Bidding Program pursuant to a mandate included in the Medicare Modernization Act of 2003 and expanded upon by the healthcare reform law. The Program moves Medicare away from fee schedule reimbursement for certain DMEPOS items and instead utilizes bids submitted by suppliers as the basis for payment rates. Under the Program, a supplier must compete to become a Medicare contracted supplier; any supplier not selected by CMS will be unable to service Medicare beneficiaries in the targeted geographical areas. It is estimated that the Program will save the Medicare program over \$28 billion in 10 years.

The list of DMEPOS included in Round Two is nearly identical to Round One and includes the following:

- Oxygen, oxygen equipment and supplies;
- Standard wheelchairs (both power and manual), scooters and related accessories;
- 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;
- Walkers and related accessories;
- Negative pressure wound therapy pumps and related supplies and accessories; and
- Support surfaces (Group 2 mattresses and overlays).

CMS declined to include ultra-lightweight manual wheelchairs, gimbaled ventilator trays and push activated power assist devices from Round Two and is considering whether to add those items to future Rounds.



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Round Two will include 91 geographical areas, defined by zip codes. Included in the 91 areas are parts of Atlanta, Boston, Chicago, Houston, Las Vegas, Los Angeles and New York. A complete listing of the areas and zip codes can be found by clicking [here](#).<sup>1</sup>

The National Mail Order bidding competition takes place on a national level and includes any supplier wishing to provide diabetic testing supplies to Medicare beneficiaries through a mail-order service.

Finally, CMS announced the following timeline for suppliers wishing to participate in Round Two or the National Mail Order bidding competitions:

- December 5, 2011 – Registration for participation begins (click [here](#) for registration).<sup>2</sup>
- January 30, 2012 – The 60-day bidding window opens.
- February 29, 2012 – Deadline to submit certain financial documents about the supplier.
- March 30, 2012 – Bid window closes.
- Fall 2012 – CMS announces payment amounts and begins the contracting process.
- Spring 2013 – CMS announces the final list of contracted suppliers.
- July 1, 2013 – Round Two / National Mail Order Program is implemented.

For more information about the DMEPOS Competitive Bidding Program, please click [here](#).<sup>3</sup>

<sup>1</sup> [http://www.dmecompetitivebid.com/Palmetto/Cbic.Nsf/files/Rd2\\_Bidding\\_CBAs0811.pdf/\\$File/Rd2\\_Bidding\\_CBAs0811.pdf](http://www.dmecompetitivebid.com/Palmetto/Cbic.Nsf/files/Rd2_Bidding_CBAs0811.pdf/$File/Rd2_Bidding_CBAs0811.pdf)

<sup>2</sup> <http://www.dmecompetitivebid.com/palmetto/CBIC.nsf/docsCat/CBIC~Bidding%20Suppliers%20Round%202%20National%20Mail-Order~Registration?open&expand=1&navmenu=Bidding^Suppliers^Round^2^National^Mail-Order>

<sup>3</sup> <http://www.dmecompetitivebid.com>

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