

# Medicare DMEPOS

Durable Medical Equipment, Prosthetics, Orthotics and Supplies

## Competitive Bidding Program

### Open Door Forum Series

# Rules for Submitting a Bid

September 2, 2009  
2:00pm – 3:00pm EDT



**Palmetto GBA.**  
PARTNERS IN EXCELLENCE



# Bidding Rules Agenda

- Competitive Bidding Areas (CBA)
- Product Categories
- Mail Order Product Category
- Eligibility Criteria
  - Supplier Standards
  - Accreditation and Quality Standards
  - Surety Bonds
  - Licensure
  - Subcontracting
- Exemptions from Bidding
- Common Ownership and/or Control
- Bid Amounts Criteria
- Resources

# Competitive Bidding Areas

- Cincinnati – Middletown, OH-KY-IN
- Cleveland – Elyria – Mentor, OH
- Charlotte – Gastonia – Concord, NC-SC
- Dallas-Fort Worth-Arlington, TX
- Miami – Fort Lauderdale – Pompano Beach, FL
- Orlando, FL
- Pittsburgh, PA
- Riverside – San Bernardino – Ontario, CA
- Kansas City, MO-KS

# Product Categories

- Oxygen Supplies and Equipment
- Standard Power Wheelchairs, Scooters, and Related Accessories
- Complex Rehabilitative Power Wheelchairs and Related Accessories (Group 2)
- Mail-Order Diabetic Supplies
- Enteral Nutrients, Equipment and Supplies
- CPAP, RADs, and Related Supplies and Accessories
- Hospital Beds and Related Accessories
- Walkers and Related Accessories
- Support Surfaces (Group 2 mattresses and overlays) – *Miami CBA only*

# Mail Order Diabetic Supplies

- Beneficiaries may obtain items from:
  - Mail order (must be contract supplier) or
  - Storefront (may be non-contract supplier)
- Mail order delivered by common carrier
  - Transport goods for compensation (US postal service, Federal Express, UPS, courier, etc.)
  - NOT by store employee in company-owned or personal vehicle

# Eligibility Criteria

- Medicare enrolled DMEPOS suppliers
- Suppliers outside CBA
  - Able to provide from existing locations
  - Active NSC number for location furnishing item
  - Location accredited for product category
  - Location licensed in the CBA for product category

# Eligibility Criteria

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- Active NSC (National Supplier Clearinghouse) or PTAN (Provider Transaction Access Number)
  - Accreditation – September 30, 2009
  - Surety Bond – October 2, 2009
- [www.fms.treas.gov/c570/c570\\_a-z.html](http://www.fms.treas.gov/c570/c570_a-z.html)

# Eligibility Criteria

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- Licensure
  - All required licenses on file with NSC before bid submission
  - All items in product category

# Eligibility Criteria

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- Licensure
  - All states in CBA
    - If one location ⇒ then for each state
    - If location(s) in each state ⇒ then only for the state where business is located and provides items

# Subcontracting

- Must comply with supplier standards
  - Purchase of inventory (#4)
  - Repair of rented equipment (#12)
  - Delivery and instruction on the use of item (#14)
- Must be accredited as applicable (MIPPA requirement)
- Must notify CMS of subcontracting arrangement with 10 business of days of contract award or of entering into an agreement

# Subcontracting

- May NOT subcontract for:
  - Intake and assessment
  - Coordination of care with physician
  - Submission of claims on behalf of beneficiary
  - Ownership and responsibility for equipment furnished to the beneficiary
  - Ensuring product safety
  - Other functions required to be performed by primary supplier

# Subcontracting

- May not sell referrals
- May not subcontract with an entity currently excluded from:
  - Medicare program
  - State health care program
  - Any federal government executive branch procurement or non-procurement program or activity

# Common Ownership / Control

- Must submit one bid application
  - Common Ownership: Ownership interest (equity in stock, capital, or profits) of at least 5 percent in another supplier organization
  - Common Control: One or more of supplier organization's owners is also an officer, director or partner in another supplier organization

# Bid Amounts

- Must submit a bid amount for all items in a product category
- Bid amounts:
  - Cannot exceed fee schedule amount for the CBA
  - Are based on purchase of new item (except oxygen product category)
  - Must be bona fide

★ *Carefully review bid amount data before certifying bid application.*

# Exemptions

- **Physicians and Other Practitioners**
  - Not required to bid if bid item provided as part of professional services
  - Bid item limited to walkers
- **Hospitals**
  - Not required if bid item provided upon discharge as part of inpatient stay
  - Bid item limited to walkers
  - Hospital-owned DME must submit bid

# Resources

- Competitive Bidding Implementation Contractor (CBIC) Service Center: **(877) 577-5331**
- CMS Website:  
<http://www.cms.hhs.gov/dmeposcompetitivebid/>
- CBIC Website:  
<http://www.DMECompetitiveBid.com/>
- NSC Website:  
<http://www.PalmettoGBA.com/NSC>

# Feedback and Comments

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**Send feedback and comments about this  
*Special Open Door Forum* to:**

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