

CMS NEWS

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CONTRACT SUPPLIERS SELECTED UNDER MEDICARE COMPETITIVE BIDDING PROGRAM

**13,126 CONTRACTS AWARDED TO SUPPLIERS OF MEDICAL EQUIPMENT
AND SUPPLIES SELECTED THROUGH COMPETITIVE BIDDING
IN 91 AREAS**

The Centers for Medicare & Medicaid Services (CMS) today announced that 799* suppliers have been awarded contracts as part of Round 2 of the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program to provide certain medical equipment and supplies (such as scooters, wheelchairs and oxygen) to beneficiaries in 91 communities across the country. Additionally, CMS announced 18 suppliers that accepted contracts to provide mail-order diabetic testing supplies at competitively bid prices nationwide. The competitive bidding program, which has already resulted in \$202 million in savings in its first year of implementation in nine areas, is expected to save the Medicare Part B Trust Fund an estimated \$25.7 billion between 2013 and 2022. Beneficiaries are expected to save an estimated \$17.1 billion as a result of lower coinsurance and premium payments.

“The expansion of the competitive bidding program means more beneficiaries will benefit from fair pricing on included equipment and supplies,” said CMS Acting Administrator Marilyn Tavenner. “Each of these contract suppliers has met our stringent standards, so beneficiaries can be assured they will receive their equipment and supplies from accredited, qualified suppliers at significantly lower prices.”

CMS awarded 13,126 Round 2 DMEPOS competitive bidding program contracts to 799 suppliers. The Round 2 contract suppliers have 2,988 locations to serve Medicare beneficiaries in these competitive bidding areas. The National Mail-order Program contract suppliers have 52 locations to serve the entire country through mail or other home delivery. All contract suppliers must comply with Medicare enrollment rules, be accredited, meet applicable licensing requirements, and meet financial standards. 90 percent of contract suppliers are already established in the competitive bidding area, the product category, or both. Small suppliers, those with

gross revenues of \$3.5 million or less as defined for the DMEPOS competitive bidding program, make up about 63 percent of the Round 2 contract suppliers. CMS received 48,424 Round 2 bids from 2,641 suppliers during a 60-day bidding period last year. 245 bids for the national mail-order competition were received.

Round 2 of the competitive bidding program and the national mail-order program will go into effect July 1, 2013. Based on bids submitted by these suppliers, beneficiaries and Medicare will see prices, on average, 45 percent lower than Medicare currently pays for the same items included in the Round 2 areas and 72 percent lower on mail-order diabetic testing supplies nationwide.

“CMS’s top priority is to ensure beneficiaries maintain access to high quality equipment and supplies at a fair price,” said Jonathan Blum, deputy CMS administrator and director of CMS’s Center for Medicare. “Medicare contract suppliers signed contracts that included protections to ensure that they will furnish beneficiaries with necessary equipment and quality customer service. And, our extensive monitoring in Round One showed that competitive bidding reduced spending without jeopardizing access to medical equipment and supplies.”

Consumers, physicians and other providers can find a list of Medicare contract suppliers in their areas by visiting www.medicare.gov/supplier/home.asp or by calling 1-800-MEDICARE (TTY users should call 1-877-486-2048). People can also visit the local offices of the various partner groups for help in finding a Medicare contract supplier, such as their State Health Insurance and Assistance Program, Administration for Community Living and a number of community organizations that can provide information on the program.

For additional information about the Medicare DMEPOS Competitive Bidding Program, please visit: <http://www.cms.hhs.gov/DMEPOSCompetitiveBid/>.

*This release provides the number of contract suppliers as of April 9, 2013. For a current comprehensive list of contract supplier locations in each competitive bidding area (CBA), please visit www.medicare.gov/supplier.