

U.S. House and Senate Notification

Wednesday, January 30, 2013

To: Congressional Health Staff

**From: Lauren Aronson
Director, Office of Legislation
Centers for Medicare & Medicaid Services**

Re: Medicare Announces Savings for Medical Equipment Included in the Next Round of Competitive Bidding Program

The Centers for Medicare & Medicaid Services (CMS) today announced new, lower Medicare prices that will go into effect this July in a major expansion of the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program. Medicare beneficiaries in 91 major metropolitan areas will save an average of 45 percent for certain DMEPOS items scheduled to begin on July 1, 2013. In addition, Medicare beneficiaries across the country will save an average of 72 percent on diabetic testing supplies under a national mail-order program starting at the same time.

Medicare's competitive bidding program replaces its existing fee schedule amounts in selected areas with prices based on suppliers' bids, saving money for taxpayers and beneficiaries while preserving access to quality products from accredited suppliers. Using market-based prices set through competition will help ensure the long-term sustainability of the Medicare program. Small businesses represent over half of the winning suppliers in these 91 metropolitan areas.

Attached please find a copy of the press release and fact sheet with product-specific average savings percentages. In addition, a complete list of the 91 areas where the program is expanding and a full list of the new prices is available at www.dmecompetitivebid.com.

Please contact the CMS Office of Legislation at 202-690-8220 if you have any questions. Thank you.