



Office of Media Affairs

MEDICARE FACT SHEET

FOR IMMEDIATE RELEASE
November 3, 2010

Contact: CMS Office of Media Affairs
(202) 690-6145

SUPPLIERS SELECTED FOR NEW PROGRAM THAT REDUCES COSTS FOR CERTAIN DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS, AND SUPPLIES

Charlotte-Gastonia-Concord North Carolina-South Carolina

PROGRAM OVERVIEW

The Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program is an essential tool to help Medicare set appropriate payment rates for DMEPOS items and services. The DMEPOS Competitive Bidding Program replaces the existing outdated, excessive fee schedule amounts with market-based prices.

Under the program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas. The new, lower payment amounts resulting from the competition will replace the fee schedule amounts for the bid items in these areas. The payment amounts from the supplier competition for the first phase of the program result in overall average projected savings of 32 percent as compared to the current fee schedule prices. These new payment amounts are scheduled to go into effect on January 1, 2011 in nine areas of the country including Charlotte-Gastonia-Concord North Carolina-South Carolina.

COMPETITIVE BIDDING AREAS IN CHARLOTTE-GASTONIA-CONCORD NORTH CAROLINA-SOUTH CAROLINA

The counties to be covered in Charlotte-Gastonia-Concord North Carolina-South Carolina for non-mail order products are shown in the following table:

MSA	State	County
Charlotte-Gastonia-Concord	North Carolina-South Carolina	NC-Anson NC-Cabarrus NC-Gaston NC-Mecklenburg NC-Union SC-York

NEW PAYMENT RATES FOR CHARLOTTE-GASTONIA-CONCORD NORTH CAROLINA-SOUTH CAROLINA

As a result of the competitive bidding process, the amounts that Medicare will pay in Charlotte-Gastonia-Concord North Carolina-South Carolina for the nine product categories included in the Round One Rebid of the DMEPOS Competitive Bidding Program are on average **29** percent less than Medicare's current fee schedule amounts.

The average percentage savings, to both beneficiaries and Medicare, from the current fee schedule amount for each product category in Charlotte-Gastonia-Concord North Carolina-South Carolina included in the competitive bidding program are as follows:

Product Category	*Weighted Average Savings
Oxygen Supplies & Equipment	29%
Standard PMD & Accessories	18%
Complex PMD & Accessories	10%
Mail-Order Diabetic Supplies	54%
Enteral Nutrients, Equipment & Supplies	24%
CPAP/RAD Related Supplies & Accessories	34%
Hospital Beds & Accessories	33%
Walkers & Accessories	28%
Support Surfaces (Miami only)	N/A

*Weighted average savings based on weighted percentage reductions in Medicare allowed payment amounts for items in each product category. Weights used in calculating average reductions were the same weights assigned to each code as part of the Request for Bids.

CONTRACT SUPPLIERS

A total of **116** contracts were accepted for the Charlotte-Gastonia-Concord, North Carolina-South Carolina product categories. Suppliers that wanted to participate in the DMEPOS competitive bidding program submitted their bids last year. The bid evaluation process ensures that there will be a sufficient number of suppliers, including small suppliers, to meet the needs of the beneficiaries living in the competitive bidding areas. All suppliers who are offered contracts went through a thorough vetting process, are licensed and accredited, and meet financial standards.

A complete list of contract suppliers is available at:

http://www.cms.gov/DMEPOSCompetitiveBid/01A2_Contract_Supplier_Lists.asp

OUTREACH AND EDUCATION

Over the past several months, CMS has provided general information about the program to beneficiary advocates, healthcare professionals who refer beneficiaries for DMEPOS items, and beneficiaries to familiarize them with this upcoming program and its benefits. In the coming weeks, CMS will continue to educate beneficiaries and their caregivers through partners, physicians, referral agents, suppliers, the media and other information intermediaries to ensure they understand the new program and what they need to do before its implementation in the nine competitive bidding areas on January 1, 2011. Next week, CMS will mail an introductory letter and a brochure that explains the new program to all beneficiaries in the nine Round One Rebid areas. A full range of Internet-based and printed program information and educational activities

are also planned. CMS will have a contract supplier locator tool and other information on www.medicare.gov; beneficiaries will also be able to call 1-800-MEDICARE or their local State Health Insurance and Assistance Program (SHIP) office for assistance.

Outreach to physicians, social workers, referral agents, discharge planners and others will be delivered through the various CMS listservs, and through The Medicare Learning Network (MLN), via MLN Matters articles, fact sheets, brochures, and national provider calls. Educational materials will be available on the CMS website and will also be communicated through national and state/local provider associations covering all provider types, as well as through the Medicare Fee-For-Service contractors via their websites, listservs, bulletins and educational seminars.

CMS also plans a special education program for contract suppliers to ensure that they understand all of their obligations.

PROGRAM MONITORING

CMS will be actively monitoring program implementation through numerous methods and will be prepared to address any issues that may arise. CMS will be seeking feedback from beneficiaries through consumer satisfaction surveys conducted before and after the rollout of the program. CMS will provide a local, on-the-ground presence in each competitive bidding area through the CMS regional offices and local ombudsmen, who will closely monitor transition activities, conduct a local assessment of supplier activities, analyze trends, and identify and address any emerging issues. There will also be a formal complaint process for beneficiaries, caregivers, providers and suppliers to use for reporting concerns about contract suppliers or other competitive bidding implementation issues. In addition, contract suppliers are required to submit quarterly reports identifying the brands of products they furnish, which will be used to inform beneficiaries and caregivers and help CMS evaluate supplier compliance to certain contract terms. CMS will also conduct real-time claims analysis to identify utilization trends, monitor beneficiary access, address aberrancies in services, and target potential fraud and abuse. Finally, CMS has appointed a Competitive Acquisition Ombudsman who will respond to complaints and inquiries from beneficiaries and suppliers about the application of the program and will issue an annual Report to Congress.

TIMELINE OF EVENTS

November 2010	CMS announces the Medicare contract suppliers for Round One Rebid
Fall 2010	CMS conducts supplier, referral agent, and beneficiary education program
January 1, 2011	Implementation of Medicare DMEPOS Competitive Bidding Program Round One Rebid contracts and prices

ADDITIONAL INFORMATION

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



Office of Media Affairs

MEDICARE FACT SHEET

FOR IMMEDIATE RELEASE
November 3, 2010

Contact: CMS Office of Media Affairs
(202) 690-6145

SUPPLIERS SELECTED FOR NEW PROGRAM THAT REDUCES COSTS FOR CERTAIN DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS, AND SUPPLIES

Cincinnati-Middletown, Ohio-Kentucky-Indiana

PROGRAM OVERVIEW

The Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program is an essential tool to help Medicare set appropriate payment rates for DMEPOS items and services. The DMEPOS Competitive Bidding Program replaces the existing outdated, excessive fee schedule amounts with market-based prices.

Under the program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas. The new, lower payment amounts resulting from the competition will replace the fee schedule amounts for the bid items in these areas. The payment amounts from the supplier competition for the first phase of the program result in overall average projected savings of 32 percent as compared to the current fee schedule prices. These new payment amounts are scheduled to go into effect on January 1, 2011 in nine areas of the country including Cincinnati-Middletown, Ohio-Kentucky-Indiana.

COMPETITIVE BIDDING AREAS IN CINCINNATI-MIDDLETOWN, OHIO-KENTUCKY-INDIANA

The counties to be covered in Cincinnati-Middletown, Ohio-Kentucky-Indiana for non-mail order products are shown in the following table:

MSA	State	County
Cincinnati-Middletown	Ohio-Kentucky-Indiana	IN-Dea ar born KY-Boone KY-Campbell KY-Kenton OH-Butler OH-Clermont OH-Hamilton OH-Warren

NEW PAYMENT RATES FOR CINCINNATI-MIDDLETOWN, OHIO-KENTUCKY-INDIANA

As a result of the competitive bidding process, the amounts that Medicare will pay in Cincinnati-Middletown, Ohio-Kentucky-Indiana for the nine product categories included in the Round One Rebid of the DMEPOS Competitive Bidding Program are on average **32** percent less than Medicare's current fee schedule amounts.

The average percentage savings, to both beneficiaries and Medicare, from the current fee schedule amount for each product category in Cincinnati-Middletown, Ohio-Kentucky-Indiana included in the competitive bidding program are as follows:

Product Category	*Weighted Average Savings
Oxygen Supplies & Equipment	34%
Standard PMD & Accessories	16%
Complex PMD & Accessories	9%
Mail-Order Diabetic Supplies	55%
Enteral Nutrients, Equipment & Supplies	31%
CPAP/RAD Related Supplies & Accessories	33%
Hospital Beds & Accessories	40%
Walkers & Accessories	34%
Support Surfaces (Miami only)	N/A

*Weighted average savings based on weighted percentage reductions in Medicare allowed payment amounts for items in each product category. Weights used in calculating average reductions were the same weights assigned to each code as part of the Request for Bids.

CONTRACT SUPPLIERS

A total of **94** contracts were accepted for the Cincinnati-Middletown, Ohio-Kentucky-Indiana product categories. Suppliers that wanted to participate in the DMEPOS competitive bidding program submitted their bids last year. The bid evaluation process ensures that there will be a sufficient number of suppliers, including small suppliers, to meet the needs of the beneficiaries living in the competitive bidding areas. All suppliers who are offered contracts went through a thorough vetting process, are licensed and accredited, and meet financial standards.

A complete list of contract suppliers is available at:

http://www.cms.gov/DMEPOSCompetitiveBid/01A2_Contract_Supplier_Lists.asp

OUTREACH AND EDUCATION

Over the past several months, CMS has provided general information about the program to beneficiary advocates, healthcare professionals who refer beneficiaries for DMEPOS items, and beneficiaries to familiarize them with this upcoming program and its benefits. In the coming weeks, CMS will continue to educate beneficiaries and their caregivers through partners, physicians, referral agents, suppliers, the media and other information intermediaries to ensure they understand the new program and what they need to do before its implementation in the nine competitive bidding areas on January 1, 2011. Next week, CMS will mail an introductory letter and a brochure that explains the new program to all beneficiaries in the nine Round One Rebid areas. A full range of Internet-based and printed program information and educational activities are also planned. CMS will have a contract supplier locator tool and other information on www.medicare.gov; beneficiaries will also be able to call 1-800-MEDICARE or their local State Health Insurance and Assistance Program (SHIP) office for assistance.

Outreach to physicians, social workers, referral agents, discharge planners and others will be delivered through the various CMS listservs, and through The Medicare Learning Network (MLN), via MLN Matters articles, fact sheets, brochures, and national provider calls. Educational materials will be available on the CMS website and will also be communicated through national and state/local provider associations covering all provider types, as well as through the Medicare Fee-For-Service contractors via their websites, listservs, bulletins and educational seminars.

CMS also plans a special education program for contract suppliers to ensure that they understand all of their obligations.

PROGRAM MONITORING

CMS will be actively monitoring program implementation through numerous methods and will be prepared to address any issues that may arise. CMS will be seeking feedback from beneficiaries through consumer satisfaction surveys conducted before and after the rollout of the program. CMS will provide a local, on-the-ground presence in each competitive bidding area through the CMS regional offices and local ombudsmen, who will closely monitor transition activities, conduct a local assessment of supplier activities, analyze trends, and identify and address any emerging issues. There will also be a formal complaint process for beneficiaries, caregivers, providers and suppliers to use for reporting concerns about contract suppliers or other competitive bidding implementation issues. In addition, contract suppliers are required to submit quarterly reports identifying the brands of products they furnish, which will be used to inform beneficiaries and caregivers and help CMS evaluate supplier compliance to certain contract terms. CMS will also conduct real-time claims analysis to identify utilization trends, monitor beneficiary access, address aberrancies in services, and target potential fraud and abuse. Finally, CMS has appointed a Competitive Acquisition Ombudsman who will respond to complaints and inquiries from beneficiaries and suppliers about the application of the program and will issue an annual Report to Congress.

TIMELINE OF EVENTS

November 2010	CMS announces the Medicare contract suppliers for Round One Rebid
Fall 2010	CMS conducts supplier, referral agent, and beneficiary education program
January 1, 2011	Implementation of Medicare DMEPOS Competitive Bidding Program Round One Rebid contracts and prices

ADDITIONAL INFORMATION

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



Office of Media Affairs

MEDICARE FACT SHEET

FOR IMMEDIATE RELEASE
November 3, 2010

Contact: CMS Office of Media Affairs
(202) 690-6145

SUPPLIERS SELECTED FOR NEW PROGRAM THAT REDUCES COSTS FOR CERTAIN DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS, AND SUPPLIES

Cleveland-Elyria-Mentor, Ohio

PROGRAM OVERVIEW

The Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program is an essential tool to help Medicare set appropriate payment rates for DMEPOS items and services. The DMEPOS Competitive Bidding Program replaces the existing outdated, excessive fee schedule amounts with market-based prices.

Under the program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas. The new, lower payment amounts resulting from the competition will replace the fee schedule amounts for the bid items in these areas. The payment amounts from the supplier competition for the first phase of the program result in overall average projected savings of 32 percent as compared to the current fee schedule prices. These new payment amounts are scheduled to go into effect on January 1, 2011 in nine areas of the country including Cleveland-Elyria-Mentor, Ohio.

COMPETITIVE BIDDING AREAS IN CLEVELAND-ELYRIA-MENTOR, OHIO

The counties to be covered in Cleveland-Elyria-Mentor, Ohio for non-mail order products are shown in the following table:

MSA	State	County
Cleveland-Elyria-Mentor	Ohio	Cuyahoga Geauga Lake Lorain Medina

NEW PAYMENT RATES FOR CLEVELAND-ELYRIA-MENTOR, OHIO

As a result of the competitive bidding process, the amounts that Medicare will pay in Cleveland-Elyria-Mentor, Ohio for the nine product categories included in the Round One Rebid of the

DMEPOS Competitive Bidding Program are on average **33** percent less than Medicare's current fee schedule amounts.

The average percentage savings, to both beneficiaries and Medicare, from the current fee schedule amount for each product category in Cleveland-Elyria-Mentor, Ohio included in the competitive bidding program are as follows:

Product Category	*Weighted Average Savings
Oxygen Supplies & Equipment	37%
Standard PMD & Accessories	21%
Complex PMD & Accessories	13%
Mail-Order Diabetic Supplies	54%
Enteral Nutrients, Equipment & Supplies	29%
CPAP/RAD Related Supplies & Accessories	34%
Hospital Beds & Accessories	41%
Walkers & Accessories	34%
Support Surfaces (Miami only)	N/A

*Weighted average savings based on weighted percentage reductions in Medicare allowed payment amounts for items in each product category. Weights used in calculating average reductions were the same weights assigned to each code as part of the Request for Bids.

CONTRACT SUPPLIERS

A total of **111** contracts were accepted for the Cleveland-Elyria-Mentor, Ohio product categories. Suppliers that wanted to participate in the DMEPOS competitive bidding program submitted their bids last year. The bid evaluation process ensures that there will be a sufficient number of suppliers, including small suppliers, to meet the needs of the beneficiaries living in the competitive bidding areas. All suppliers who are offered contracts went through a thorough vetting process, are licensed and accredited, and meet financial standards.

A complete list of contract suppliers is available at:

http://www.cms.gov/DMEPOSCompetitiveBid/01A2_Contract_Supplier_Lists.asp

OUTREACH AND EDUCATION

Over the past several months, CMS has provided general information about the program to beneficiary advocates, healthcare professionals who refer beneficiaries for DMEPOS items, and beneficiaries to familiarize them with this upcoming program and its benefits. In the coming weeks, CMS will continue to educate beneficiaries and their caregivers through partners, physicians, referral agents, suppliers, the media and other information intermediaries to ensure they understand the new program and what they need to do before its implementation in the nine competitive bidding areas on January 1, 2011. Next week, CMS will mail an introductory letter and a brochure that explains the new program to all beneficiaries in the nine Round One Rebid areas. A full range of Internet-based and printed program information and educational activities are also planned. CMS will have a contract supplier locator tool and other information on www.medicare.gov; beneficiaries will also be able to call 1-800-MEDICARE or their local State Health Insurance and Assistance Program (SHIP) office for assistance.

Outreach to physicians, social workers, referral agents, discharge planners and others will be delivered through the various CMS listservs, and through The Medicare Learning Network (MLN), via MLN Matters articles, fact sheets, brochures, and national provider calls.

Educational materials will be available on the CMS website and will also be communicated through national and state/local provider associations covering all provider types, as well as through the Medicare Fee-For-Service contractors via their websites, listservs, bulletins and educational seminars.

CMS also plans a special education program for contract suppliers to ensure that they understand all of their obligations.

PROGRAM MONITORING

CMS will be actively monitoring program implementation through numerous methods and will be prepared to address any issues that may arise. CMS will be seeking feedback from beneficiaries through consumer satisfaction surveys conducted before and after the rollout of the program. CMS will provide a local, on-the-ground presence in each competitive bidding area through the CMS regional offices and local ombudsmen, who will closely monitor transition activities, conduct a local assessment of supplier activities, analyze trends, and identify and address any emerging issues. There will also be a formal complaint process for beneficiaries, caregivers, providers and suppliers to use for reporting concerns about contract suppliers or other competitive bidding implementation issues. In addition, contract suppliers are required to submit quarterly reports identifying the brands of products they furnish, which will be used to inform beneficiaries and caregivers and help CMS evaluate supplier compliance to certain contract terms. CMS will also conduct real-time claims analysis to identify utilization trends, monitor beneficiary access, address aberrancies in services, and target potential fraud and abuse. Finally, CMS has appointed a Competitive Acquisition Ombudsman who will respond to complaints and inquiries from beneficiaries and suppliers about the application of the program and will issue an annual Report to Congress.

TIMELINE OF EVENTS

November 2010	CMS announces the Medicare contract suppliers for Round One Rebid
Fall 2010	CMS conducts supplier, referral agent, and beneficiary education program
January 1, 2011	Implementation of Medicare DMEPOS Competitive Bidding Program Round One Rebid contracts and prices

ADDITIONAL INFORMATION

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



Office of Media Affairs

MEDICARE FACT SHEET

FOR IMMEDIATE RELEASE
November 3, 2010

Contact: CMS Office of Media Affairs
(202) 690-6145

SUPPLIERS SELECTED FOR NEW PROGRAM THAT REDUCES COSTS FOR CERTAIN DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS, AND SUPPLIES

Dallas-Fort Worth - Arlington, Texas

PROGRAM OVERVIEW

The Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program is an essential tool to help Medicare set appropriate payment rates for DMEPOS items and services. The DMEPOS Competitive Bidding Program replaces the existing outdated, excessive fee schedule amounts with market-based prices.

Under the program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas. The new, lower payment amounts resulting from the competition will replace the fee schedule amounts for the bid items in these areas. The payment amounts from the supplier competition for the first phase of the program result in overall average projected savings of 32 percent as compared to the current fee schedule prices. These new payment amounts are scheduled to go into effect on January 1, 2011 in nine areas of the country including Dallas-Fort Worth-Arlington, Texas.

COMPETITIVE BIDDING AREAS IN DALLAS-FORT WORTH-ARLINGTON, TEXAS

The counties to be covered in Dallas-Fort Worth-Arlington, Texas for non-mail order products are shown in the following table:

MSA	State	County
Dallas-Fort Worth-Arlington	Texas	Collin Dallas Denton Ellis Hunt Johnson Kaufman Parker Rockwall Tarrant Wise

NEW PAYMENT RATES FOR DALLAS-FORT WORTH-ARLINGTON, TEXAS

As a result of the competitive bidding process, the amounts that Medicare will pay in Dallas-Fort Worth-Arlington, Texas for the nine product categories included in the Round One Rebid of the DMEPOS Competitive Bidding Program are on average **33** percent less than Medicare's current fee schedule amounts.

The average percentage savings, to both beneficiaries and Medicare, from the current fee schedule amount for each product category in Dallas-Fort Worth-Arlington, Texas included in the competitive bidding program are as follows:

Product Category	*Weighted Average Savings
Oxygen Supplies & Equipment	29%
Standard PMD & Accessories	26%
Complex PMD & Accessories	25%
Mail-Order Diabetic Supplies	55%
Enteral Nutrients, Equipment & Supplies	26%
CPAP/RAD Related Supplies & Accessories	33%
Hospital Beds & Accessories	36%
Walkers & Accessories	35%
Support Surfaces (Miami only)	N/A

*Weighted average savings based on weighted percentage reductions in Medicare allowed payment amounts for items in each product category. Weights used in calculating average reductions were the same weights assigned to each code as part of the Request for Bids.

CONTRACT SUPPLIERS

A total of **165** contracts were accepted for the Dallas-Fort Worth-Arlington, Texas product categories. Suppliers that wanted to participate in the DMEPOS competitive bidding program submitted their bids last year. The bid evaluation process ensures that there will be a sufficient number of suppliers, including small suppliers, to meet the needs of the beneficiaries living in the competitive bidding areas. All suppliers who are offered contracts went through a thorough vetting process, are licensed and accredited, and meet financial standards.

A complete list of contract suppliers is available at:

http://www.cms.gov/DMEPOSCompetitiveBid/01A2_Contract_Supplier_Lists.asp

OUTREACH AND EDUCATION

Over the past several months, CMS has provided general information about the program to beneficiary advocates, healthcare professionals who refer beneficiaries for DMEPOS items, and beneficiaries to familiarize them with this upcoming program and its benefits. In the coming weeks, CMS will continue to educate beneficiaries and their caregivers through partners, physicians, referral agents, suppliers, the media and other information intermediaries to ensure they understand the new program and what they need to do before its implementation in the nine competitive bidding areas on January 1, 2011. Next week, CMS will mail an introductory letter and a brochure that explains the new program to all beneficiaries in the nine Round One Rebid areas. A full range of Internet-based and printed program information and educational activities are also planned. CMS will have a contract supplier locator tool and other information on

www.medicare.gov; beneficiaries will also be able to call 1-800-MEDICARE or their local State Health Insurance and Assistance Program (SHIP) office for assistance.

Outreach to physicians, social workers, referral agents, discharge planners and others will be delivered through the various CMS listservs, and through The Medicare Learning Network (MLN), via MLN Matters articles, fact sheets, brochures, and national provider calls. Educational materials will be available on the CMS website and will also be communicated through national and state/local provider associations covering all provider types, as well as through the Medicare Fee-For-Service contractors via their websites, listservs, bulletins and educational seminars.

CMS also plans a special education program for contract suppliers to ensure that they understand all of their obligations.

PROGRAM MONITORING

CMS will be actively monitoring program implementation through numerous methods and will be prepared to address any issues that may arise. CMS will be seeking feedback from beneficiaries through consumer satisfaction surveys conducted before and after the rollout of the program. CMS will provide a local, on-the-ground presence in each competitive bidding area through the CMS regional offices and local ombudsmen, who will closely monitor transition activities, conduct a local assessment of supplier activities, analyze trends, and identify and address any emerging issues. There will also be a formal complaint process for beneficiaries, caregivers, providers and suppliers to use for reporting concerns about contract suppliers or other competitive bidding implementation issues. In addition, contract suppliers are required to submit quarterly reports identifying the brands of products they furnish, which will be used to inform beneficiaries and caregivers and help CMS evaluate supplier compliance to certain contract terms. CMS will also conduct real-time claims analysis to identify utilization trends, monitor beneficiary access, address aberrancies in services, and target potential fraud and abuse. Finally, CMS has appointed a Competitive Acquisition Ombudsman who will respond to complaints and inquiries from beneficiaries and suppliers about the application of the program and will issue an annual Report to Congress.

TIMELINE OF EVENTS

November 2010	CMS announces the Medicare contract suppliers for Round One Rebid
Fall 2010	CMS conducts supplier, referral agent, and beneficiary education program
January 1, 2011	Implementation of Medicare DMEPOS Competitive Bidding Program Round One Rebid contracts and prices

ADDITIONAL INFORMATION

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



Office of Media Affairs

MEDICARE FACT SHEET

FOR IMMEDIATE RELEASE
November 3, 2010

Contact: CMS Office of Media Affairs
(202) 690-6145

**SUPPLIERS SELECTED FOR NEW PROGRAM THAT REDUCES COSTS
FOR CERTAIN DURABLE MEDICAL EQUIPMENT, PROSTHETICS,
ORTHOTICS, AND SUPPLIES**

Kansas City, Missouri-Kansas

PROGRAM OVERVIEW

The Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program is an essential tool to help Medicare set appropriate payment rates for DMEPOS items and services. The DMEPOS Competitive Bidding Program replaces the existing outdated, excessive fee schedule amounts with market-based prices.

Under the program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas. The new, lower payment amounts resulting from the competition will replace the fee schedule amounts for the bid items in these areas. The payment amounts from the supplier competition for the first phase of the program result in overall average projected savings of 32 percent as compared to the current fee schedule prices. These new payment amounts are scheduled to go into effect on January 1, 2011 in nine areas of the country including equipment and suppliers in selected areas of the country, include Kansas City, Missouri-Kansas.

COMPETITIVE BIDDING AREAS IN KANSAS CITY, MISSOURI-KANSAS

The counties to be covered in Kansas City, Missouri-Kansas for non-mail order products are shown in the following table:

MSA	State	County
Kansas City	Missouri-Kansas	KS-Franklin KS-Johnson KS-Leavenworth KS-Miami KS-Wyandotte MO-Cass MO-Clay MO-Jackson MO-Lafayette MO-Platte MO-Ray

NEW PAYMENT RATES FOR KANSAS CITY, MISSOURI-KANSAS

As a result of the competitive bidding process, the amounts that Medicare will pay in Kansas City, Missouri-Kansas for the nine product categories included in the Round One Rebid of the DMEPOS Competitive Bidding Program are on average **28** percent less than Medicare's current fee schedule amounts.

The average percentage savings, to both beneficiaries and Medicare, from the current fee schedule amount for each product category in Kansas City, Missouri-Kansas included in the competitive bidding program are as follows:

Product Category	*Weighted Average Savings
Oxygen Supplies & Equipment	27%
Standard PMD & Accessories	21%
Complex PMD & Accessories	4%
Mail-Order Diabetic Supplies	54%
Enteral Nutrients, Equipment & Supplies	27%
CPAP/RAD Related Supplies & Accessories	37%
Hospital Beds & Accessories	28%
Walkers & Accessories	28%
Support Surfaces (Miami only)	N/A

*Weighted average savings based on weighted percentage reductions in Medicare allowed payment amounts for items in each product category. Weights used in calculating average reductions were the same weights assigned to each code as part of the Request for Bids.

CONTRACT SUPPLIERS

A total of **91** contracts were accepted for the Kansas City, Missouri-Kansas product categories. Suppliers that wanted to participate in the DMEPOS competitive bidding program submitted their bids last year. The bid evaluation process ensures that there will be a sufficient number of suppliers, including small suppliers, to meet the needs of the beneficiaries living in the competitive bidding areas. All suppliers who are offered contracts went through a thorough vetting process, are licensed and accredited, and meet financial standards.

A complete list of contract suppliers is available at:

http://www.cms.gov/DMEPOSCompetitiveBid/01A2_Contract_Supplier_Lists.asp

OUTREACH AND EDUCATION

Over the past several months, CMS has provided general information about the program to beneficiary advocates, healthcare professionals who refer beneficiaries for DMEPOS items, and beneficiaries to familiarize them with this upcoming program and its benefits. In the coming weeks, CMS will continue to educate beneficiaries and their caregivers through partners, physicians, referral agents, suppliers, the media and other information intermediaries to ensure they understand the new program and what they need to do before its implementation in the nine competitive bidding areas on January 1, 2011. Next week, CMS will mail an introductory letter and a brochure that explains the new program to all beneficiaries in the nine Round One Rebid areas. A full range of Internet-based and printed program information and educational activities

are also planned. CMS will have a contract supplier locator tool and other information on www.medicare.gov; beneficiaries will also be able to call 1-800-MEDICARE or their local State Health Insurance and Assistance Program (SHIP) office for assistance.

Outreach to physicians, social workers, referral agents, discharge planners and others will be delivered through the various CMS listservs, and through The Medicare Learning Network (MLN), via MLN Matters articles, fact sheets, brochures, and national provider calls. Educational materials will be available on the CMS website and will also be communicated through national and state/local provider associations covering all provider types, as well as through the Medicare Fee-For-Service contractors via their websites, listservs, bulletins and educational seminars.

CMS also plans a special education program for contract suppliers to ensure that they understand all of their obligations.

PROGRAM MONITORING

CMS will be actively monitoring program implementation through numerous methods and will be prepared to address any issues that may arise. CMS will be seeking feedback from beneficiaries through consumer satisfaction surveys conducted before and after the rollout of the program. CMS will provide a local, on-the-ground presence in each competitive bidding area through the CMS regional offices and local ombudsmen, who will closely monitor transition activities, conduct a local assessment of supplier activities, analyze trends, and identify and address any emerging issues. There will also be a formal complaint process for beneficiaries, caregivers, providers and suppliers to use for reporting concerns about contract suppliers or other competitive bidding implementation issues. In addition, contract suppliers are required to submit quarterly reports identifying the brands of products they furnish, which will be used to inform beneficiaries and caregivers and help CMS evaluate supplier compliance to certain contract terms. CMS will also conduct real-time claims analysis to identify utilization trends, monitor beneficiary access, address aberrancies in services, and target potential fraud and abuse. Finally, CMS has appointed a Competitive Acquisition Ombudsman who will respond to complaints and inquiries from beneficiaries and suppliers about the application of the program and will issue an annual Report to Congress.

TIMELINE OF EVENTS

November 2010	CMS announces the Medicare contract suppliers for Round One Rebid
Fall 2010	CMS conducts supplier, referral agent, and beneficiary education program
January 1, 2011	Implementation of Medicare DMEPOS Competitive Bidding Program Round One Rebid contracts and prices

ADDITIONAL INFORMATION

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



Office of Media Affairs

MEDICARE FACT SHEET

FOR IMMEDIATE RELEASE
November 3, 2010

Contact: CMS Office of Media Affairs
(202) 690-6145

SUPPLIERS SELECTED FOR NEW PROGRAM THAT REDUCES COSTS FOR CERTAIN DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS, AND SUPPLIES

Miami-Fort Lauderdale-Pompano Beach Florida

PROGRAM OVERVIEW

The Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program is an essential tool to help Medicare set appropriate payment rates for DMEPOS items and services. The DMEPOS Competitive Bidding Program replaces the existing outdated, excessive fee schedule amounts with market-based prices.

Under the program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas. The new, lower payment amounts resulting from the competition will replace the fee schedule amounts for the bid items in these areas. The payment amounts from the supplier competition for the first phase of the program result in overall average projected savings of 32 percent as compared to the current fee schedule prices. These new payment amounts are scheduled to go into effect on January 1, 2011 in nine areas of the country including Miami-Fort Lauderdale-Pompano Beach, Florida.

COMPETITIVE BIDDING AREAS IN MIAMI-FORT LAUDERDALE-POMPANO BEACH, FLORIDA

The counties to be covered in Miami-Fort Lauderdale-Pompano Beach, Florida for non-mail order products are shown in the following table:

MSA	State	County
Miami-Fort Lauderdale-Pompano Beach	Florida	Broward Miami-Dade Palm Beach

NEW PAYMENT RATES FOR MIAMI-FORT LAUDERDALE-POMPANO BEACH, FLORIDA

As a result of the competitive bidding process, the amounts that Medicare will pay in Miami-Fort Lauderdale-Pompano Beach, Florida for the nine product categories included in the Round One

Rebid of the DMEPOS Competitive Bidding Program are on average **35** percent less than Medicare's current fee schedule amounts.

The average percentage savings, to both beneficiaries and Medicare, from the current fee schedule amount for each product category in Miami-Fort Lauderdale-Pompano Beach, Florida included in the competitive bidding program are as follows:

Product Category	*Weighted Average Savings
Oxygen Supplies & Equipment	27%
Standard PMD & Accessories	31%
Complex PMD & Accessories	22%
Mail-Order Diabetic Supplies	55%
Enteral Nutrients, Equipment & Supplies	30%
CPAP/RAD Related Supplies & Accessories	32%
Hospital Beds & Accessories	32%
Walkers & Accessories	35%
Support Surfaces (Miami only)	49%

*Weighted average savings based on weighted percentage reductions in Medicare allowed payment amounts for items in each product category. Weights used in calculating average reductions were the same weights assigned to each code as part of the Request for Bids.

CONTRACT SUPPLIERS

A total of **268** contracts were accepted for the Miami-Fort Lauderdale-Pompano Beach, Florida product categories. Suppliers that wanted to participate in the DMEPOS competitive bidding program submitted their bids last year. The bid evaluation process ensures that there will be a sufficient number of suppliers, including small suppliers, to meet the needs of the beneficiaries living in the competitive bidding areas. All suppliers who are offered contracts went through a thorough vetting process, are licensed and accredited, and meet financial standards.

A complete list of contract suppliers is available at:

http://www.cms.gov/DMEPOSCompetitiveBid/01A2_Contract_Supplier_Lists.asp

OUTREACH AND EDUCATION

Over the past several months, CMS has provided general information about the program to beneficiary advocates, healthcare professionals who refer beneficiaries for DMEPOS items, and beneficiaries to familiarize them with this upcoming program and its benefits. In the coming weeks, CMS will continue to educate beneficiaries and their caregivers through partners, physicians, referral agents, suppliers, the media and other information intermediaries to ensure they understand the new program and what they need to do before its implementation in the nine competitive bidding areas on January 1, 2011. Later in the fall, CMS will mail an introductory letter and a brochure that explains the new program to all beneficiaries in the nine Round One Rebid areas. A full range of Internet-based and printed program information and educational activities are also planned. CMS will have a contract supplier locator tool and other information on www.medicare.gov; beneficiaries will also be able to call 1-800-MEDICARE or their local State Health Insurance and Assistance Program (SHIP) office for assistance.

Outreach to physicians, social workers, referral agents, discharge planners and others will be delivered through the various CMS listservs, and through The Medicare Learning Network (MLN), via MLN Matters articles, fact sheets, brochures, and national provider calls.

Educational materials will be available on the CMS website and will also be communicated through national and state/local provider associations covering all provider types, as well as through the Medicare Fee-For-Service contractors via their websites, listservs, bulletins and educational seminars.

CMS also plans a special education program for contract suppliers to ensure that they understand all of their obligations.

PROGRAM MONITORING

CMS will be actively monitoring program implementation through numerous methods and will be prepared to address any issues that may arise. CMS will be seeking feedback from beneficiaries through consumer satisfaction surveys conducted before and after the rollout of the program. CMS will provide a local, on-the-ground presence in each competitive bidding area through the CMS regional offices and local ombudsmen, who will closely monitor transition activities, conduct a local assessment of supplier activities, analyze trends, and identify and address any emerging issues. There will also be a formal complaint process for beneficiaries, caregivers, providers and suppliers to use for reporting concerns about contract suppliers or other competitive bidding implementation issues. In addition, contract suppliers are required to submit quarterly reports identifying the brands of products they furnish, which will be used to inform beneficiaries and caregivers and help CMS evaluate supplier compliance to certain contract terms. CMS will also conduct real-time claims analysis to identify utilization trends, monitor beneficiary access, address aberrancies in services, and target potential fraud and abuse. Finally, CMS has appointed a Competitive Acquisition Ombudsman who will respond to complaints and inquiries from beneficiaries and suppliers about the application of the program and will issue an annual Report to Congress.

TIMELINE OF EVENTS

November 2010	CMS announces the Medicare contract suppliers for Round One Rebid
Fall 2010	CMS conducts supplier, referral agent, and beneficiary education program
January 1, 2011	Implementation of Medicare DMEPOS Competitive Bidding Program Round One Rebid contracts and prices

ADDITIONAL INFORMATION

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



Office of Media Affairs

MEDICARE FACT SHEET

FOR IMMEDIATE RELEASE
November 3, 2010

Contact: CMS Office of Media Affairs
(202) 690-6145

SUPPLIERS SELECTED FOR NEW PROGRAM THAT REDUCES COSTS FOR CERTAIN DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS, AND SUPPLIES

Orlando - Kissimmee Florida

PROGRAM OVERVIEW

The Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program is an essential tool to help Medicare set appropriate payment rates for DMEPOS items and services. The DMEPOS Competitive Bidding Program replaces the existing outdated, excessive fee schedule amounts with market-based prices.

Under the program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas. The new, lower payment amounts resulting from the competition will replace the fee schedule amounts for the bid items in these areas. The payment amounts from the supplier competition for the first phase of the program result in overall average projected savings of 32 percent as compared to the current fee schedule prices. These new payment amounts are scheduled to go into effect on January 1, 2011 in nine areas of the country including Orlando - Kissimmee, Florida.

COMPETITIVE BIDDING AREAS IN ORLANDO, FLORIDA

The counties to be covered in Orlando, Florida for non-mail order products are shown in the following table:

MSA	State	County
Orlando	Florida	Lake Orange Osceola Seminole

NEW PAYMENT RATES FOR ORLANDO, FLORIDA

As a result of the competitive bidding process, the amounts that Medicare will pay in Orlando, Florida for the nine product categories included in the Round One Rebid of the DMEPOS

Competitive Bidding Program are on average **34** percent less than Medicare’s current fee schedule amounts.

The average percentage savings, to both beneficiaries and Medicare, from the current fee schedule amount for each product category in Orlando, Florida included in the competitive bidding program are as follows:

Product Category	*Weighted Average Savings
Oxygen Supplies & Equipment	33%
Standard PMD & Accessories	30%
Complex PMD & Accessories	21%
Mail-Order Diabetic Supplies	57%
Enteral Nutrients, Equipment & Supplies	28%
CPAP/RAD Related Supplies & Accessories	33%
Hospital Beds & Accessories	37%
Walkers & Accessories	33%
Support Surfaces (Miami only)	N/A

*Weighted average savings based on weighted percentage reductions in Medicare allowed payment amounts for items in each product category. Weights used in calculating average reductions were the same weights assigned to each code as part of the Request for Bids.

CONTRACT SUPPLIERS

A total of **129** contracts were accepted for the Orlando, Florida product categories. Suppliers that wanted to participate in the DMEPOS competitive bidding program submitted their bids last year. The bid evaluation process ensures that there will be a sufficient number of suppliers, including small suppliers, to meet the needs of the beneficiaries living in the competitive bidding areas. All suppliers who are offered contracts went through a thorough vetting process, are licensed and accredited, and meet financial standards.

A complete list of contract suppliers is available at:

http://www.cms.gov/DMEPOSCompetitiveBid/01A2_Contract_Supplier_Lists.asp

OUTREACH AND EDUCATION

Over the past several months, CMS has provided general information about the program to beneficiary advocates, healthcare professionals who refer beneficiaries for DMEPOS items, and beneficiaries to familiarize them with this upcoming program and its benefits. In the coming weeks, CMS will continue to educate beneficiaries and their caregivers through partners, physicians, referral agents, suppliers, the media and other information intermediaries to ensure they understand the new program and what they need to do before its implementation in the nine competitive bidding areas on January 1, 2011. Next week, CMS will mail an introductory letter and a brochure that explains the new program to all beneficiaries in the nine Round One Rebid areas. A full range of Internet-based and printed program information and educational activities are also planned. CMS will have a contract supplier locator tool and other information on www.medicare.gov; beneficiaries will also be able to call 1-800-MEDICARE or their local State Health Insurance and Assistance Program (SHIP) office for assistance.

Outreach to physicians, social workers, referral agents, discharge planners and others will be delivered through the various CMS listservs, and through The Medicare Learning Network

(MLN), via MLN Matters articles, fact sheets, brochures, and national provider calls. Educational materials will be available on the CMS website and will also be communicated through national and state/local provider associations covering all provider types, as well as through the Medicare Fee-For-Service contractors via their websites, listservs, bulletins and educational seminars.

CMS also plans a special education program for contract suppliers to ensure that they understand all of their obligations.

PROGRAM MONITORING

CMS will be actively monitoring program implementation through numerous methods and will be prepared to address any issues that may arise. CMS will be seeking feedback from beneficiaries through consumer satisfaction surveys conducted before and after the rollout of the program. CMS will provide a local, on-the-ground presence in each competitive bidding area through the CMS regional offices and local ombudsmen, who will closely monitor transition activities, conduct a local assessment of supplier activities, analyze trends, and identify and address any emerging issues. There will also be a formal complaint process for beneficiaries, caregivers, providers and suppliers to use for reporting concerns about contract suppliers or other competitive bidding implementation issues. In addition, contract suppliers are required to submit quarterly reports identifying the brands of products they furnish, which will be used to inform beneficiaries and caregivers and help CMS evaluate supplier compliance to certain contract terms. CMS will also conduct real-time claims analysis to identify utilization trends, monitor beneficiary access, address aberrancies in services, and target potential fraud and abuse. Finally, CMS has appointed a Competitive Acquisition Ombudsman who will respond to complaints and inquiries from beneficiaries and suppliers about the application of the program and will issue an annual Report to Congress.

TIMELINE OF EVENTS

November 2010	CMS announces the Medicare contract suppliers for Round One Rebid
Fall 2010	CMS conducts supplier, referral agent, and beneficiary education program
January 1, 2011	Implementation of Medicare DMEPOS Competitive Bidding Program Round One Rebid contracts and prices

ADDITIONAL INFORMATION

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



Office of Media Affairs

MEDICARE FACT SHEET

FOR IMMEDIATE RELEASE
November 3, 2010

Contact: CMS Office of Media Affairs
(202) 690-6145

SUPPLIERS SELECTED FOR NEW PROGRAM THAT REDUCES COSTS FOR CERTAIN DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS, AND SUPPLIES

Pittsburgh, Pennsylvania

PROGRAM OVERVIEW

The Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program is an essential tool to help Medicare set appropriate payment rates for DMEPOS items and services. The DMEPOS Competitive Bidding Program replaces the existing outdated, excessive fee schedule amounts with market-based prices.

Under the program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas. The new, lower payment amounts resulting from the competition will replace the fee schedule amounts for the bid items in these areas. The payment amounts from the supplier competition for the first phase of the program result in overall average projected savings of 32 percent as compared to the current fee schedule prices. These new payment amounts are scheduled to go into effect on January 1, 2011 in nine areas of the country including Pittsburgh, Pennsylvania.

COMPETITIVE BIDDING AREAS IN PITTSBURGH, PENNSYLVANIA

The counties to be covered Pittsburgh, Pennsylvania for non-mail order products are shown in the following table:

MSA	State	County
Pittsburgh	Pennsylvania	Allegheny Armstrong Beaver Butler Fayette Washington Westmoreland

NEW PAYMENT RATES FOR PITTSBURGH, PENNSYLVANIA

As a result of the competitive bidding process, the amounts that Medicare will pay in Pittsburgh, Pennsylvania for the nine product categories included in the Round One Rebid of the DMEPOS Competitive Bidding Program are on average **34** percent less than Medicare's current fee schedule amounts.

The average percentage savings, to both beneficiaries and Medicare, from the current fee schedule amount for each product category in Pittsburgh, Pennsylvania included in the competitive bidding program are as follows:

Product Category	*Weighted Average Savings
Oxygen Supplies & Equipment	37%
Standard PMD & Accessories	22%
Complex PMD & Accessories	14%
Mail-Order Diabetic Supplies	57%
Enteral Nutrients, Equipment & Supplies	31%
CPAP/RAD Related Supplies & Accessories	36%
Hospital Beds & Accessories	38%
Walkers & Accessories	38%
Support Surfaces (Miami only)	N/A

*Weighted average savings based on weighted percentage reductions in Medicare allowed payment amounts for items in each product category. Weights used in calculating average reductions were the same weights assigned to each code as part of the Request for Bids.

CONTRACT SUPPLIERS

A total of **112** contracts were accepted for the Pittsburgh, Pennsylvania product categories. Suppliers that wanted to participate in the DMEPOS competitive bidding program submitted their bids last year. The bid evaluation process ensures that there will be a sufficient number of suppliers, including small suppliers, to meet the needs of the beneficiaries living in the competitive bidding areas. All suppliers who are offered contracts went through a thorough vetting process, are licensed and accredited, and meet financial standards.

A complete list of contract suppliers is available at:

http://www.cms.gov/DMEPOSCompetitiveBid/01A2_Contract_Supplier_Lists.asp

OUTREACH AND EDUCATION

Over the past several months, CMS has provided general information about the program to beneficiary advocates, healthcare professionals who refer beneficiaries for DMEPOS items, and beneficiaries to familiarize them with this upcoming program and its benefits. In the coming weeks, CMS will continue to educate beneficiaries and their caregivers through partners, physicians, referral agents, suppliers, the media and other information intermediaries to ensure they understand the new program and what they need to do before its implementation in the nine competitive bidding areas on January 1, 2011. Next week, CMS will mail an introductory letter and a brochure that explains the new program to all beneficiaries in the nine Round One Rebid areas. A full range of Internet-based and printed program information and educational activities are also planned. CMS will have a contract supplier locator tool and other information on www.medicare.gov; beneficiaries will also be able to call 1-800-MEDICARE or their local State Health Insurance and Assistance Program (SHIP) office for assistance.

Outreach to physicians, social workers, referral agents, discharge planners and others will be delivered through the various CMS listservs, and through The Medicare Learning Network (MLN), via MLN Matters articles, fact sheets, brochures, and national provider calls. Educational materials will be available on the CMS website and will also be communicated through national and state/local provider associations covering all provider types, as well as through the Medicare Fee-For-Service contractors via their websites, listservs, bulletins and educational seminars.

CMS also plans a special education program for contract suppliers to ensure that they understand all of their obligations.

PROGRAM MONITORING

CMS will be actively monitoring program implementation through numerous methods and will be prepared to address any issues that may arise. CMS will be seeking feedback from beneficiaries through consumer satisfaction surveys conducted before and after the rollout of the program. CMS will provide a local, on-the-ground presence in each competitive bidding area through the CMS regional offices and local ombudsmen, who will closely monitor transition activities, conduct a local assessment of supplier activities, analyze trends, and identify and address any emerging issues. There will also be a formal complaint process for beneficiaries, caregivers, providers and suppliers to use for reporting concerns about contract suppliers or other competitive bidding implementation issues. In addition, contract suppliers are required to submit quarterly reports identifying the brands of products they furnish, which will be used to inform beneficiaries and caregivers and help CMS evaluate supplier compliance to certain contract terms. CMS will also conduct real-time claims analysis to identify utilization trends, monitor beneficiary access, address aberrancies in services, and target potential fraud and abuse. Finally, CMS has appointed a Competitive Acquisition Ombudsman who will respond to complaints and inquiries from beneficiaries and suppliers about the application of the program and will issue an annual Report to Congress.

TIMELINE OF EVENTS

November 2010	CMS announces the Medicare contract suppliers for Round One Rebid
Fall 2010	CMS conducts supplier, referral agent, and beneficiary education program
January 1, 2011	Implementation of Medicare DMEPOS Competitive Bidding Program Round One Rebid contracts and prices

ADDITIONAL INFORMATION

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



Office of Media Affairs

MEDICARE FACT SHEET

FOR IMMEDIATE RELEASE
November 3, 2010

Contact: CMS Office of Media Affairs
(202) 690-6145

SUPPLIERS SELECTED FOR NEW PROGRAM THAT REDUCES COSTS FOR CERTAIN DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS, AND SUPPLIES

Riverside-San Bernardino-Ontario, California

PROGRAM OVERVIEW

The Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program is an essential tool to help Medicare set appropriate payment rates for DMEPOS items and services. The DMEPOS Competitive Bidding Program replaces the existing outdated, excessive fee schedule amounts with market-based prices.

Under the program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas. The new, lower payment amounts resulting from the competition will replace the fee schedule amounts for the bid items in these areas. The payment amounts from the supplier competition for the first phase of the program result in overall average projected savings of 32 percent as compared to the current fee schedule prices. These new payment amounts are scheduled to go into effect on January 1, 2011 in nine areas of the country including Riverside-San Bernardino-Ontario, California.

COMPETITIVE BIDDING AREAS IN RIVERSIDE-SAN BERNARDINO-ONTARIO, CALIFORNIA

The counties to be covered in Riverside-San Bernardino-Ontario, California for non-mail order products are shown in the following table:

MSA	State	County
Riverside-San Bernardino-Ontario	California	Riverside San Bernardino

NEW PAYMENT RATES FOR RIVERSIDE-SAN BERNARDINO-ONTARIO, CALIFORNIA

As a result of the competitive bidding process, the amounts that Medicare will pay in Riverside-San Bernardino-Ontario, California for the nine product categories included in the Round One

Rebid of the DMEPOS Competitive Bidding Program are on average **30** percent less than Medicare's current fee schedule amounts.

The average percentage savings, to both beneficiaries and Medicare, from the current fee schedule amount for each product category in Riverside-San Bernardino-Ontario, California included in the competitive bidding program are as follows:

Product Category	*Weighted Average Savings
Oxygen Supplies & Equipment	28%
Standard PMD & Accessories	18%
Complex PMD & Accessories	10%
Mail-Order Diabetic Supplies	58%
Enteral Nutrients, Equipment & Supplies	29%
CPAP/RAD Related Supplies & Accessories	31%
Hospital Beds & Accessories	34%
Walkers & Accessories	34%
Support Surfaces (Miami only)	N/A

*Weighted average savings based on weighted percentage reductions in Medicare allowed payment amounts for items in each product category. Weights used in calculating average reductions were the same weights assigned to each code as part of the Request for Bids.

CONTRACT SUPPLIERS

A total of **131** contracts were accepted for the Riverside-San Bernardino-Ontario, California product categories. Suppliers that wanted to participate in the DMEPOS competitive bidding program submitted their bids last year. The bid evaluation process ensures that there will be a sufficient number of suppliers, including small suppliers, to meet the needs of the beneficiaries living in the competitive bidding areas. All suppliers who are offered contracts went through a thorough vetting process, are licensed and accredited, and meet financial standards.

A complete list of contract suppliers is available at:

http://www.cms.gov/DMEPOSCompetitiveBid/01A2_Contract_Supplier_Lists.asp

OUTREACH AND EDUCATION

Over the past several months, CMS has provided general information about the program to beneficiary advocates, healthcare professionals who refer beneficiaries for DMEPOS items, and beneficiaries to familiarize them with this upcoming program and its benefits. In the coming weeks, CMS will continue to educate beneficiaries and their caregivers through partners, physicians, referral agents, suppliers, the media and other information intermediaries to ensure they understand the new program and what they need to do before its implementation in the nine competitive bidding areas on January 1, 2011. Next week, CMS will mail an introductory letter and a brochure that explains the new program to all beneficiaries in the nine Round One Rebid areas. A full range of Internet-based and printed program information and educational activities are also planned. CMS will have a contract supplier locator tool and other information on www.medicare.gov; beneficiaries will also be able to call 1-800-MEDICARE or their local State Health Insurance and Assistance Program (SHIP) office for assistance.

Outreach to physicians, social workers, referral agents, discharge planners and others will be delivered through the various CMS listservs, and through The Medicare Learning Network (MLN), via MLN Matters articles, fact sheets, brochures, and national provider calls.

Educational materials will be available on the CMS website and will also be communicated

through national and state/local provider associations covering all provider types, as well as through the Medicare Fee-For-Service contractors via their websites, listservs, bulletins and educational seminars.

CMS also plans a special education program for contract suppliers to ensure that they understand all of their obligations.

PROGRAM MONITORING

CMS will be actively monitoring program implementation through numerous methods and will be prepared to address any issues that may arise. CMS will be seeking feedback from beneficiaries through consumer satisfaction surveys conducted before and after the rollout of the program. CMS will provide a local, on-the-ground presence in each competitive bidding area through the CMS regional offices and local ombudsmen, who will closely monitor transition activities, conduct a local assessment of supplier activities, analyze trends, and identify and address any emerging issues. There will also be a formal complaint process for beneficiaries, caregivers, providers and suppliers to use for reporting concerns about contract suppliers or other competitive bidding implementation issues. In addition, contract suppliers are required to submit quarterly reports identifying the brands of products they furnish, which will be used to inform beneficiaries and caregivers and help CMS evaluate supplier compliance to certain contract terms. CMS will also conduct real-time claims analysis to identify utilization trends, monitor beneficiary access, address aberrancies in services, and target potential fraud and abuse. Finally, CMS has appointed a Competitive Acquisition Ombudsman who will respond to complaints and inquiries from beneficiaries and suppliers about the application of the program and will issue an annual Report to Congress.

TIMELINE OF EVENTS

- | | |
|------------------------|--|
| November 2010 | CMS announces the Medicare contract suppliers for Round One Rebid |
| Fall 2010 | CMS conducts supplier, referral agent, and beneficiary education program |
| January 1, 2011 | Implementation of Medicare DMEPOS Competitive Bidding Program Round One Rebid contracts and prices |

ADDITIONAL INFORMATION

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