

SUPPLEMENTAL OXYGEN AND COMPETITIVE BIDDING

Supplemental oxygen. We use the term “supplemental” because every living person on earth uses oxygen from the air to survive, but some people need a little more oxygen to *supplement* what they are able to breathe in on their own. For people who need extra (or supplemental oxygen) in their homes, this is provided in a variety of ways: stationary oxygen concentrators, portable oxygen concentrators (POCs), oxygen tanks in a variety of sizes, and liquid oxygen systems.

If you are an individual who needs to keep your oxygen saturations at a safe level, a doctor will write you a prescription for you to receive this type of equipment. Unlike filling a prescription for medicines, such as antibiotics, at your neighborhood pharmacy, a prescription for supplemental oxygen equipment is “filled” by a durable medical equipment (DME) company. A DME is a company that supplies any equipment that provides therapeutic benefits to a patient in need because of certain medical conditions and/or illnesses.

Competitive bidding. Competitive bidding is a process in which an organization (including a government agency) has a need for a specific product or service. The organization (or government agency) invites companies to submit a proposal (or bid) to compete for the right to supply the specific product or service in a designated geographical area, or competitive bidding area (CBA). The company that submits the best (and usually most cost-effective) proposal (or bid), “wins” the contract.

Different companies are selected for different regions with little or no overlap and provide products or services for the entire CBA. Competitive bidding aims to be open, fair, and transparent wherein each company that submits a proposal (or bid) has an equal chance to be selected.

Centers for Medicare & Medicaid Services (CMS). In 2010, CMS initiated a competitive bidding process designed to help reduce government spending on certain DME products and services. These products and services were separated into specific categories such as wheelchairs, CPAPs, walkers, and oxygen equipment, among others. Competitive bidding was initially rolled out in urban and suburban areas and then later in rural America.

Fast-forward nearly nine years. If CMS intended to reduce government spending on supplemental oxygen, they succeeded, but not without taking away products and services that had previously been helpful to thousands of supplemental oxygen users. Through a series of reductions in reimbursements to the DME companies and shorter billing windows for equipment, DME companies began to limit their supplemental oxygen offerings. Where those companies previously had options for POCs and liquid oxygen systems, they found that they could no longer afford to provide these systems to patients.

Our Ask to Congress. Here is why our ‘ask’ to Congress is so important. In January 2019, CMS delayed competitive bidding for DME, specifically supplemental oxygen. This delay was originally supposed to last 18-24 months so that the competitive bidding process could be redesigned. As far as we know, the proposed changes to the competitive bidding process would not help liquid oxygen or POC users. This is because CMS will not be reimbursing DME companies for these two more expensive supplemental oxygen systems. As a result, liquid oxygen and POCs will still not be accessible to people who depend on Medicare coverage to pay for services. Therefore, we are asking Congress to extend the delay past the original date of December 2020 due to the COVID-19 pandemic. With the current added strain on supplemental oxygen resources, now is not the time to implement changes, new rules, or restrictions that might further limit access to supplemental oxygen.

Test Your Knowledge

1. Can you explain the following terms?
 - a. Supplemental oxygen
 - b. Competitive bidding
 - c. DME
 - d. CMS

2. Can you list the many different types of supplemental oxygen individuals can use in their homes? Check all that apply!
 - a. Stationary oxygen concentrators
 - b. Portable oxygen concentrators (POCs)
 - c. Oxygen tanks in a variety of sizes
 - d. Liquid oxygen systems
 - e. All of the above

3. Who fills a prescription for supplemental oxygen?
 - a. My local pharmacy, e.g., CVS, Walgreens, Walmart, Target
 - b. DME supplier

4. To learn more about competitive bidding, click on these links for more information:
 - [Medicare Rights Center](#)
 - [HomeCare Magazine](#)
 - [CMS and Competitive Bidding](#)

Answers:

1 a. Supplemental Oxygen is extra oxygen that is needed by some people to maintain healthy levels of oxygen in their blood and body tissues.

1 b. A process where companies bid for the right to provide medical goods/services in a specific area or region.

1 c. DME stands for durable medical equipment. These companies provide items such as wheelchairs, hospital beds, oxygen equipment, and more.

1 d. CMS is the abbreviation for Centers for Medicare & Medicaid Services which is a branch of the Department of Health and Human Services. They are responsible for health coverage and programs for individuals who meet the coverage requirements.

2. E. All of the above!

3. B. Oxygen prescriptions are filled by a DME supplier.