



Competitive Bidding Fact Sheet

What is Competitive Bidding?

The Medicare Modernization Act of 2003 (MMA) established requirements for a new Competitive Bidding Program for certain Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS). Under the program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas, and the Centers for Medicare & Medicaid Services (CMS) awards contracts to enough suppliers to meet beneficiary demand for the bid items. The program sets more appropriate payment amounts for DMEPOS items while ensuring continued access to quality items and services, which will result in reduced beneficiary out-of-pocket expenses and savings to taxpayers and the Medicare program.

Why do I have to change my DME company?

On January 1, 2011, CMS launched the first phase of Medicare's competitive bidding program in nine different areas of the country for nine product categories. July 1, 2013 will mark the implementation of Medicare DMEPOS Competitive Bidding Program Round 2.¹ As the competitive bidding program expands to additional regions throughout the country more patients will be feel the effects. Since companies have to bid to receive CMS contracts not all companies will be covered by Medicare, meaning some Medicare beneficiaries will have to change DME companies to continue to receive their current home medical equipment. To determine if your current DME company has been awarded a contract visit: <http://www.dmecompetitivebid.com>

Why am I having trouble accessing my home medical equipment?

In order to be awarded a CMS contract companies are having to submit the most cost effective possible, this in turn saves CMS money and keeps the DME market competitive. However, in an effort to submit the lowest bid possible many DME companies are discontinuing the use of more expensive home oxygen equipment, including liquid oxygen. Among other equipment, suppliers claim that with the

existing price structures they lose money on liquid oxygen due to more frequent delivery, longer service periods, and more frequent customer complaints. ***Suppliers may actively encouraging you to move from one type of equipment to another but it is important to know that they will NOT refuse to provide you with your equipment when the physician specifically prescribes it and if they can't identify another supplier to transfer the prescription to.***

What is the COPD Foundation Doing?

The COPD Foundation feels strongly that all COPD patients should have access to their prescribed home medical equipment, including liquid oxygen, in order to preserve their current quality of life. ***Currently, the COPD Foundation is asking any patient who is experiencing difficulty accessing their home medical equipment to contact the C.O.P.D. Infoline (866.316.2673) to report the complaint.*** The C.O.P.D Infoline will then provide the contact information for the Centers of Medicare and Medicaid Services (CMS) in order to officially file the complaint. The C.O.P.D Infoline is collecting data that will help the COPD Foundation advocate for public policy that will correct this issue and ensure continued access to quality home medical equipment. In the meantime, the COPD Foundation is contacting all major home equipment suppliers to determine any policy changes and notify patients about the effects of these changes.

ⁱ DMEPOS Competitive Bidding." Centers for Medicare and Medicaid Services