

Frequently Asked Question (Updated 5/19/2008)

Regarding the Durable Medical Equipment Prosthetics Orthotics and Medical Supplies (DMEPOS) Competitive Bidding Program

1. What was the genesis of the DMEPOS Competitive Bidding rule?
 - The Medicare Modernization Act of 2003 mandated that the Secretary of Health and Human Services issue a final rule requiring accreditation and competitive bidding for DMEPOS, diabetes and Part B supplies and services.
2. What are CMS' stated objectives in competitively bidding DMEPOS?
 - Secure beneficiary access to quality DMEPOS
 - Decrease Medicare and beneficiary payments
 - Reflect a competitive market
 - Contract with suppliers favorable to the program and beneficiaries
 - Limit fraud
3. What is the status of the Final Rule?
 - The Final Rule, CMS-1270-F, was issued April 2, 2007, and set the parameters for Round I of the Competitive Bidding Program.
4. What is the status of Round I of the Competitive Bidding Program?
 - New payment standards for the program begin July 1, 2008 in Charlotte, Cincinnati, Cleveland, Dallas, Kansas City, Miami, Orlando, Pittsburgh, Riverside, and San Juan, and covers 10 product categories: oxygen supplies and equipment; standard power wheelchairs, scooters and related accessories; complex rehabilitative power wheelchairs and related accessories; mail-order diabetes supplies; enteral nutrients, equipment and supplies; continuous positive airway pressure (CPAP) devices, respiratory assist devices (RADs) and related supplies and accessories; hospital beds and accessories; negative pressure wound therapy (NPWT) pumps and related supplies and accessories; walkers and related accessories. Miami and San Juan only – support surfaces (group 2 and 3 mattresses and overlays.)
5. What is the status of Round II of the Competitive Bidding Program?
 - CMS has announced [70 MSAs](#) and [eight product categories](#) that will be covered by Round II.
6. Must my pharmacy be accredited in order for me to participate in Round II of the Program?
 - Yes. Suppliers must be accredited or have applied for accreditation by July 21, 2008 (formerly May 14, 2008), in order to submit a bid in

Round II. CMS cannot accept a bid from any supplier that is not accredited or that has not applied for accreditation by May 14. In order to be awarded a contract in Round II, suppliers must be accredited by January 14, 2009 (formerly October 31, 2008). This requirement applies to all locations included in the bid.

7. What do I need to do to become accredited?
 - In order to participate in the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program, suppliers must meet quality standards and be accredited by a [CMS-approved Deemed Accreditation Organization](#). You may also want to purchase the [NCPA-PRS DMEPOS Accreditation Prep Program](#), this comprehensive and easy-to-use CD-based computer software program contains the standards, policies, procedures, and forms necessary for accreditation. A compliance guide and "how-to" section on competitive bidding also are included.
8. Must I obtain accreditation to acquire or retain my Medicare Part B supplier billing number?
 - Yes. The only exception to the rule is a pharmacy that maintains a Part B supplier billing number to submit Part B drug claims and administer vaccinations. These supplier pharmacies must meet the current 21 national supplier clearinghouse (NSC) standards, but do not have to obtain any further accreditation.
9. I am not participating in the Competitive Bidding Program, do I have to obtain accreditation.
 - Yes. The CMS Final Rule states that every supplier must obtain accreditation in order to acquire or renew their Part B supplier number by September 30, 2009.
10. I want to participate in the Competitive Bidding Program for DMEPOS. Approximately how long and how much will it cost to obtain accreditation?
 - It depends on how prepared, in a business sense, the pharmacy is to meet the requirements. The entire accreditation process, including survey and preparation to come into compliance, will vary based by current supplier preparedness, and the DMEPOS services provided. Total chares to obtain accreditation and prepare the bid had been estimated at \$7,000 to \$17,000. Some buying groups have formed accreditation networks to lower accreditation fees for members. Contact your buying group for more information.
11. What financial information must I provide CMS to demonstrate solvency?
 - Suppliers must provide specific financial information to demonstrate solvency including:
 - i. Bank references

- ii. Credit history
- iii. Insurance documentation
- iv. Line of credit
- v. Ability to accept 20 percent of more in increased capacity to serve beneficiaries

12. Where can I learn more about competitive bidding and accreditation?

- Community pharmacists with questions about CMS regulations and proposals concerning accreditation and competitive bidding can get the facts by visiting [NCPA's DME Resource Center](#). NCPA, through Pharmacist e-Link and with support from Bayer HealthCare, Diabetes Care, is providing this online resource to help clear the confusion and provide up-to-date, accurate information on DMEPOS accreditation and competitive bidding.