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What You Should Know if You Need Medicare-covered Equipment or Supplies

Starting January 1, 2011, Medicare is phasing in a new competitive bidding program in some areas of the country. This program will change the amount Medicare pays suppliers for certain durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) and make changes to who can supply these items.

If you have Original Medicare and live in one of these areas and use equipment or supplies included in the program (or get the items while visiting one of these areas), you will almost always have to use a Medicare contract supplier if you want Medicare to help you pay for the items. Medicare contract suppliers are suppliers that meet Medicare quality and financial standards and had successful bids to participate in the program. If you rent oxygen or certain other durable medical equipment, and your current supplier isn't a contract supplier, you may be able to continue renting these items from your current supplier when the program takes effect, if the supplier decided to participate in the program as a "grandfathered" supplier. If you live in these areas (or get these items while visiting them) and don't use a Medicare contract supplier or a grandfathered supplier, Medicare usually won't pay for the item and you will likely pay full price. It's important to know if you're affected by this new program to make sure your item is covered by Medicare and to avoid any disruption of service.



Who will be affected by this program, and in what areas?

The new program will apply to people with Original Medicare who live in (or travel to) the following 9 areas:

- Charlotte-Gastonia-Concord (North Carolina and South Carolina)
- Cincinnati-Middletown (Ohio, Kentucky, and Indiana)
- Cleveland-Elyria-Mentor (Ohio)
- Dallas-Fort Worth-Arlington (Texas)
- Kansas City (Missouri and Kansas)
- Miami-Fort Lauderdale-Pompano Beach (Florida)
- Orlando - Kissimmee (Florida)
- Pittsburgh (Pennsylvania)
- Riverside-San Bernardino-Ontario (California)

To find out if your ZIP code is affected, call 1-800-MEDICARE (1-800-633-4227), or visit www.medicare.gov. TTY users should call 1-877-486-2048.

What kinds of items are included?

The following categories of items are included in the first phase of this program:

- Oxygen, oxygen equipment, and supplies
- Standard power wheelchairs, scooters, and related accessories
- Complex rehabilitative power wheelchairs and related accessories (Group 2 only)
- Mail-order diabetic supplies
- Enteral nutrients, equipment, and supplies
- Continuous Positive Airway Pressure (CPAP) devices and Respiratory Assist Devices (RADs), and related supplies and accessories
- Hospital beds and related accessories
- Walkers and related accessories
- Support surfaces (Group 2 mattresses and overlays in Miami-Fort Lauderdale-Pompano Beach only)

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What is the DMEPOS Competitive Bidding Program?

The Competitive Bidding Program replaces the outdated prices Medicare is currently paying with lower, more accurate prices. Under this program, suppliers submit bids to furnish certain medical equipment and supplies at a lower price than what Medicare now pays for these items. Medicare uses these bids to set the amount it pays for those equipment and supplies, and qualified, accredited suppliers with winning bids are chosen as Medicare contract suppliers. The program will do the following:

- Help you and Medicare save money
- Ensure that you have access to quality medical equipment, supplies, and services from suppliers you can trust
- Help limit fraud and abuse in the Medicare Program.

After the program starts, do I have to get any new supplies or equipment that I need from a Medicare contract supplier?

In most cases, if you have Original Medicare coverage and get program items in program areas, Medicare will only help pay for these items if they are furnished by contract suppliers. However, there are a few exceptions. For example, you may be able to continue renting some types of medical equipment (including oxygen) from your current supplier, even if that supplier isn't a contract supplier, if that supplier chooses to be a "grandfathered" supplier. You can also sometimes get a walker from doctors, certain other treating health care practitioners, or hospitals even if they aren't contract suppliers. In these situations, Medicare will still help you pay for these items.

To find a Medicare contract supplier, call 1-800-MEDICARE (1-800-633-4227), or visit www.medicare.gov. TTY users should call 1-877-486-2048.

Do I have to change suppliers if I am already renting equipment from a supplier that isn't a Medicare contract supplier?

If you are already renting certain medical equipment or oxygen when the program starts January 1, 2011, you may have the choice to stay with your current supplier. Suppliers that aren't Medicare contract suppliers can decide to become "grandfathered" suppliers for certain rented items. A "grandfathered" supplier may continue to rent equipment to you if the supplier rented the equipment to you at the time the program started. This rule applies only to certain equipment that can be rented, such as CPAP devices, oxygen, and oxygen supplies. You may continue using the "grandfathered" supplier until the rental period for your equipment ends. If you start renting additional equipment from a "grandfathered" supplier after January 1, Medicare won't pay for the new equipment. If you are renting equipment that is eligible for grandfathering, your supplier will let you know in writing 30 business days before the program begins whether it will or won't become a grandfathered supplier.

What about medical equipment and supplies (such as a walker) I get from my doctor or hospital?

Medicare will help pay for a walker furnished to you by your doctor or treating health care practitioner (including physician assistants, clinical nurse specialists, and nurse practitioners), even if he or she isn't a Medicare contract supplier, as long as the walker is supplied in the office during a visit for medical care. If you're admitted to a hospital and need a walker, Medicare will also help pay for it if it's furnished to you by the hospital while you are admitted or on the day you are discharged from the hospital even if the hospital isn't a contract supplier.

Am I affected if I'm in a Medicare Advantage Plan?

The Competitive Bidding Program applies to Original Medicare only. If you're enrolled in a Medicare Advantage Plan (like an HMO or a PPO), your plan will notify you if your supplier is changing. If you're not sure, contact your plan.

Do I have to change doctors?

No. The program doesn't affect which doctors you can use.



What if I need a specific brand of item or supply?

The Competitive Bidding Program has special protections to make sure you get the specific types of medical equipment you need to protect your health. If you need a specific brand of equipment or supplies, or you need an item in a specific form, your doctor must prescribe the specific brand or form in writing. Your doctor must also document in your medical record that you need this specific item or supply for medical reasons. In these situations, a Medicare contract supplier is required to: furnish the exact brand or form of item you need; help you find another contract supplier that will furnish that brand or form; or work with your doctor to find an alternate brand or form that is safe and effective for you.

Do I have to get my diabetic supplies by mail order for Medicare to cover them?

No. If you live in one of the program areas, Medicare will pay for your supplies if you use either a mail order contract supplier or go to your local pharmacy or storefront to get your diabetic testing supplies. Local stores don't have to be Medicare contract suppliers unless they are also offering diabetic supplies through mail order.

If you go to your local store to get your diabetic testing supplies, you will probably be paying more for the cost of these supplies than you would if you bought them through a mail order contract supplier. Remember, if you choose to buy your diabetic testing supplies through mail order, you must use a mail order Medicare contract supplier in order for Medicare to pay for the items.

“Mail order” means items ordered by phone, email, internet, or mail, and delivered to your house by common carriers like the U.S. Postal Service, Federal Express, or United Parcel Service. It doesn't include items bought from local supplier storefronts.

What if I travel to one of the areas included in this program and need to get medical equipment or supplies?

If you travel to an area included in the program, you must get any medical equipment or supplies included in the program from a Medicare contract supplier.

If you permanently live in...	And travel to...	You may go to...
An area participating in the program	A different area participating in the program	A Medicare-contract supplier located in the area you traveled to for items included in the program*
An area participating in the program	An area NOT participating in the program	Any Medicare-approved Supplier
An area NOT participating in the program	An area participating in the program	A Medicare-contract supplier located in the area you traveled to for items included in the program*
An area NOT participating in the program	An area NOT participating in the program	Any Medicare-approved Supplier

* If you don't use a Medicare contract supplier, the supplier may ask you to sign an Advance Beneficiary Notice. This notice says Medicare probably won't pay for the item or service. The supplier will probably require you to pay for the full cost of the item.



If I travel to one of the areas in this program, will I pay the same amount I pay at home?

Your out-of-pocket costs will be the same as when you are at your permanent home. You will still be responsible for paying the 20% coinsurance after meeting your annual Part B deductible.

It's important to know that for any equipment or supplies that are included in the competitive bidding program, the Medicare contract supplier can't charge you more than the 20% coinsurance and any unmet annual deductible. If you suspect that you are paying more coinsurance than the Medicare allowed amount, you can call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. You can also call the Fraud Hotline of the HHS Office of Inspector General at 1-800-447-8477. TTY users should call 1-800-377-4950. Note: If you live in Florida, call Medicare's Florida fraud hotline at 1-866-417-2078.

How does Medicare pay for equipment or supplies if I have other insurance?

If you have other insurance that pays before Medicare, it may require you to use a supplier that isn't a contract supplier. Medicare may make a secondary payment to that supplier. The supplier must meet Medicare enrollment standards and be eligible to get secondary payments. For more information, check with your benefits administrator, insurer, or your plan provider.

Where can I get more information about the DMEPOS Competitive Bidding Program?

If you're currently renting or need durable medical equipment or supplies and have any questions about what's covered or about suppliers, you can get information in one of the following ways:

- Visit www.medicare.gov to view the booklet, "Your Guide to Medicare's Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program." You can also call 1-800-MEDICARE (1-800-633-4227) to find out if a copy can be mailed to you. TTY users should call 1-877-486-2048.
- Visit www.medicare.gov for a list of Medicare contract suppliers and information about the program.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- Call your State Health Insurance Assistance Program (SHIP) for free health insurance counseling and personalized help understanding these changes. For the telephone number of the SHIP office near you, visit medicare.gov and select "Help & Support." You can also call 1-800-MEDICARE.