

# Comprehensive Questions & Answers (A Tool to Answer Consumer Questions on the Competitive Bidding Program) June 11, 2008

CENTERS FOR MEDICARE & MEDICAID SERVICES

## Durable Medical Equipment and Supplies

You may have to change  
your supplier soon!



## Table of Contents

### Background

1. What is Medicare’s new program for durable medical equipment and supplies and how does it affect me? ..... 5
2. What do I need to do if I live in one of the 10 initial areas and I need to buy or am currently renting an item included in the program ..... 5
3. Where can I find information about the new program? ..... 5

### Areas included in the Program

4. How do I know if I live in an area included in the new program ..... 6
5. How can I find the zip codes where the program applies? ..... 6
6. Will the program be expanding to other areas of the country? ..... 6
7. Why was my area chosen for the new program? ..... 6

### Equipment/Supplies included in the Program

8. How do I know if my equipment or supplies are included in the Competitive Bidding Program? ..... 7

### Coverage

9. What does this mean for my Original Medicare coverage of these medical items? ..... 7
10. What if I am enrolled in a Medicare Advantage Plan? ..... 7

### Payment

11. Does the new program change what I pay for these items? ..... 8
12. Do I still have to meet my deductible? ..... 8
13. So how much am I responsible for? ..... 8
14. Would I ever be responsible to pay more ..... 8

### Access

15. How will you know if your supplier has a contract with Medicare?..... 8
16. What do I need to do if my current supplier was awarded a contract? ..... 8
17. What do I need to do if my current supplier was not awarded a contract?9
18. How can I find the contract suppliers in my area?..... 9

### Contract Supplier and Exceptions

19. Are there any exceptions to the requirement of being a Medicare contract supplier? ..... 9
20. What is the exception for physicians and other treating practitioners? .... 9

- 21. What is the exception for a “grandfathered” supplier? .....9
- 22. What happens if my supplier wants to become a “grandfathered” supplier?  
..... 10
- 23. What happens if my supplier decides not to become a “grandfathered”  
supplier? ..... 10
- 24. What should I do if I don’t hear from my supplier about whether they plan  
to become a “grandfathered” supplier? ..... 10

**Pick-up and Delivery of Equipment**

- 25. If my current supplier isn’t a “grandfathered” supplier, what happens to my  
equipment? ..... 10

**Non-contract Supplier and ABN**

- 26. What happens if I get a medical item from a non-contract supplier and an  
exception does not apply? ..... 11
- 27. What other information is available to explain what it means if I sign an  
Advance Beneficiary Notice of Noncoverage/ABN? ..... 11

**Problems with Suppliers**

- 28. What if I have a complaint or problem with a supplier? ..... 11

**Mail Order Diabetic Supplies**

- 29. Do I have to get my diabetic supplies by mail order to be covered by  
Medicare? ..... 11

**Travel/Snowbirds**

- 30. What if I travel to one of the 10 initial areas and need to get medical  
equipment or supplies that are included in the program? 12
- 31. If I travel to one of the 10 initial areas, will I pay the same amount as I pay at  
home? ..... 13

**Repair and Replacement**

- 32. What if I live in one of the 10 initial areas and need repair or replacement of  
an equipment item included in the program?
  - a. Repair ONLY ..... 13
  - b. Repair and Replacement ..... 13
  - c. Replacement ONLY ..... 13

**Secondary Payments**

**33. How does Medicare pay for these items if I have other insurance? ..... 13**

**Supplier Marketing**

**34. Are there rules for how contract suppliers can market to people with Medicare? ..... 14**

## **Background**

### **1. What is Medicare's new program for durable medical equipment and supplies and how does it affect me?**

Congress changed the way that Medicare determines how much it will pay for certain medical equipment and supplies and which suppliers are eligible to give these items, if you have Original Medicare (this does not apply to beneficiaries with a Medicare Advantage Plan).

This change will help reduce your out-of-pocket costs for certain medical equipment and supplies, ensure that you get quality medical equipment, supplies and services from qualified suppliers, and limit fraud and abuse in the Medicare program.

The first phase of the program starts on July 1, 2008. It will take place in 10 competitive bidding areas and include 10 product categories of medical equipment and supplies. The program will expand into 70 additional areas in 2009 and into additional areas after 2009.

**If you live in or travel to** one of the 10 competitive bidding areas, after July 1, 2008, you may have to use certain suppliers to get some of your Medicare-covered equipment and supplies.

### **2. What do I need to do if I live in one of the 10 initial areas and I need to buy or am currently renting an item included in the program?**

Find out if your ZIP code is included in one of the 10 initial areas of this new program. Then find out which suppliers are Medicare-contract suppliers to make sure your medical products and services will be covered by Medicare.

### **3. Where can I find information about the new program?**

You can find information about the new program by visiting [www.medicare.gov](http://www.medicare.gov) or by calling 1-800-MEDICARE. The web site provides the most up-to-date list of Medicare-contract suppliers and information to help answer your questions. For more information, read the fact sheet "What You Should Know if You Need Medicare-covered Equipment or Supplies," which can be found on [www.medicare.gov](http://www.medicare.gov). Under "Search Tools," select "Find a Medicare Publication." The Medicare toll-free help line's customer service representatives will answer your questions and can send you a list of suppliers in your area. TTY users should call 1-866-486-2048

You can also find information by asking your supplier, your doctor or other health care provider, or others who may assist you with decisions when you obtain medical equipment and supplies like hospital discharge planners or social workers. Information is also available at the local offices of local consumer assistance and community organizations including your local State Health Insurance and Assistance Program (SHIP) and Area Office on Aging (AoA). All of these information resources have received educational materials from Medicare to help them explain the program to you.

## **Areas included in the Program**

### **4. How do I know if I live in an area included in the new program?**

Starting July 1, 2008, the new program will take effect for people who live in or travel to the following 10 areas:

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

These included areas are arranged by zip codes. If your permanent residence is in one of these zip codes then the new program applies to you. Your permanent residence is the address that the Social Security Administration has on file for you.

### **5. How can I find the zip codes where the program applies?**

You can find a list of zip codes for each area of the program by visiting [www.medicare.gov](http://www.medicare.gov) (under “Search Tools” select “Find Suppliers of Medical Equipment in Your Area) or by calling 1-800-MEDICARE (TTY users should call 1-877-486-2048).

### **6. Will the program be expanding to other areas of the country?**

The program will expand into 70 additional areas in 2009 and into additional areas after 2009. You can find of a list of the additional areas by visiting [www.medicare.gov](http://www.medicare.gov) (under “Search Tools” select “Find Suppliers of Medical Equipment in Your Area) or by calling 1-800-MEDICARE (TTY users should call 1-877-486-2048).

### **7. Why was my area chosen for the new program?**

Medicare selected the areas for the new program by considering the following factors:

- The total population of the area,
- The amount of money spent on medical equipment and supplies by people with Medicare in the area, and
- The number of medical equipment suppliers in the area.

## **Equipment/Supplies included in the Program**

### **8. How do I know if my equipment or supplies are included in the Competitive Bidding Program?**

Initially, the program will include 10 of the top Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) product categories including:

1. Oxygen, Supplies, and Equipment
2. Standard Power Wheelchairs, Scooters, and Related Accessories
3. Complex Rehabilitative Power Wheelchairs and Related Accessories
4. Mail-Order Diabetic Supplies
5. Enteral Nutrients, Equipment, and Supplies
6. Continuous Positive Airway Pressure (CPAP) Devices, Respiratory Assist Devices (RADs), and Related Supplies and Accessories
7. Hospital Beds and Related Accessories
8. Negative Pressure Wound Therapy (NPWT) Pumps and Related Supplies and Accessories \*
9. Walkers and Related Accessories
10. Support Surfaces (group 2 and 3 mattresses and overlays) - (Miami-Ft Lauderdale-Miami Beach area only)

\* Not included in Kansas City

Note: San Juan-Caguas-Guaynabo, Puerto Rico will only have 4 product categories:

1. Standard Power Wheelchairs, Scooters, and Related Accessories
2. Mail-Order Diabetic Supplies
3. Continuous Positive Airway Pressure (CPAP) Devices, Respiratory Assist Devices (RADs), and Related Supplies and Accessories
4. Walkers and Related Accessories

## **Coverage**

### **9. What does this mean for my Original Medicare coverage of these medical items?**

If you have Original Medicare coverage only, in most cases, only contract suppliers can provide you items included in the program for you to be covered by Medicare.

### **10. What if I am enrolled in a Medicare Advantage Plan?**

The new program does not apply if you have a Medicare Advantage Plan. The Medicare payment amounts to suppliers under these plans will remain unchanged, as will the amount you pay for these items.

## **Payment**

### **11. Does the new program change what I pay for these items?**

Under the new program, contract suppliers can only charge you the competitively bid payment amount, which is less than what Medicare currently pays (the Medicare allowed amount). So when Medicare pays less for these items, you will pay less too.

### **12. Do I still have to meet my deductible?**

Yes. When the program begins, you will still be required to meet your yearly \$135 Part B deductible whether or not you live in a competitive bidding area and the equipment or supplies ordered by your doctor are included in the program. Each year you must pay the deductible before Medicare starts to pay its share. After it is met, Medicare pays 80 percent of the Medicare-approved amount for equipment, supplies, and services.

### **13. So how much am I responsible for?**

Yes, you are still responsible for paying the 20% coinsurance. This may be covered under some Medigap or supplemental insurance policies.

### **14. Would I ever be responsible to pay more?**

The contract supplier cannot charge any more than your unmet deductible and 20% coinsurance for equipment and supplies included under the program. Legally, the contract supplier must submit your claim on an assigned basis. This means that the supplier cannot collect more than the Medicare deductible and any coinsurance amount from you, your secondary insurance, or anyone else. However, you still have the option to use an Advance Beneficiary Notice (ABN) if you agree to pay the additional costs for items or special features not covered by Medicare.

## **Access**

### **15. How will you know if your supplier has a contract with Medicare?**

You can find out if your supplier has a contract with Medicare by visiting [www.medicare.gov](http://www.medicare.gov) where there is a complete list of suppliers by product category or by calling 1-800-MEDICARE where our customer service representatives can find this information for you. People may also visit their local State Health Insurance and Assistance Program for personalized assistance.

### **16. What do I need to do if my current supplier was awarded a contract?**

If your current supplier is awarded a contract, you will not need to do anything at all because Medicare will continue to cover the equipment and supplies you get from your supplier. In addition, by using a contract supplier, you are able to take advantage of the savings generated by the new program.

### **17. What do I need to do if my current supplier was not awarded a contract?**

If your supplier was not awarded a contract, you must change suppliers to continue having Medicare pay for your medical equipment and to take advantage of the savings generated by the new program. You should be receiving information from Medicare that outlines the steps you need to take to change suppliers or you can contact 1-800-MEDICARE.

### **18. How can I find the contract suppliers in my area?**

You can find a list of Medicare contract suppliers in your area by visiting [www.medicare.gov](http://www.medicare.gov) (under “Search Tools” select “Find Suppliers of Medical Equipment in Your Area) or by calling 1-800-MEDICARE (TTY users should call 1-877-486-2048). You can also visit the local offices of the various partner groups, such as their State Health Insurance and Assistance Program, Area Office on Aging and a number of community organizations that can provide information on the program.

### **Contract Supplier and Exceptions**

### **19. Are there any exceptions to the requirement of being a Medicare contract supplier?**

Exceptions to the contract supplier requirement under the new program apply to physicians and other treating practitioners and also to “grandfathered” suppliers.

### **20. What is the exception for physicians and other treating practitioners?**

The new program does not affect which doctors you can use or how you get certain medical equipment and supplies from your doctor. Doctors and treating practitioners may furnish certain medical equipment and supplies to you as long as the items are furnished as part of his or her professional services for you. For the first 10 areas of the program, this exception applies only for walkers. Treating practitioners include physician assistants, clinical nurse specialists and nurse practitioners.

### **21. What is the exception for a “grandfathered” supplier?**

A “grandfathered” supplier is a non-contract supplier that elects to continue to furnish certain rented items to a person with Medicare to whom they were currently providing these items prior to the beginning of the competitive bidding program (July 1, 2008). Only rented durable medical equipment items, oxygen and oxygen equipment can be grandfathered. Enteral nutrients and equipment, diabetic supplies, and other items that are not rented can’t be grandfathered.

You can only continue to rent items from a “grandfathered” non-contract supplier that you started renting before July 1. You can’t start rental of an item included in this program from that non-contract supplier after July 1 and have them covered by Medicare.

**22. What happens if my supplier wants to become a “grandfathered” supplier?**

If a supplier chooses to be a “grandfathered” supplier, they are responsible to notify you before the program begins. This notice should ask you whether you want to continue getting services from them. You may continue using the grandfathered supplier until the rental period for your equipment ends. If you choose not to continue using your grandfathered supplier when the program begins, you must switch to a contract supplier to be covered by Medicare.

**23. What happens if my supplier decides not to become a “grandfathered” supplier?**

If your current supplier chooses not to become a “grandfathered” supplier, they should notify you before the program begins. The supplier must pick up its equipment, and you must switch to a contract supplier to be covered by Medicare. You should make sure to keep the pick-up slip or other documentation from the supplier that shows you no longer have the equipment.

**24. What should I do if I don’t hear from my supplier about whether they plan to become a “grandfathered” supplier?**

If you do not hear from your supplier, you should contact your supplier or Medicare to find out if your supplier intends to continue services.

**Pick-up and Delivery of Equipment**

**25. If my current supplier isn’t a “grandfathered” supplier, what happens to my equipment?**

A supplier that is not grandfathered may not pick up a medically necessary item(s) before the end of a month in which the supplier is eligible to receive a rental payment, even if the last day ends after July 1, 2008. If you change to a contract supplier, your old supplier and your new contract supplier should work together to be sure the pick up of your old equipment, and delivery of your new equipment happens so you don’t have a break in service.

On the rental anniversary date (the date of the month you first received the item), the non-contract supplier should pick up their equipment. On the same day, the contract supplier should deliver the new equipment. Both suppliers should work together to be sure you don’t go without medically necessary items, and the arrangements meet your needs.

**Non-contract Supplier and ABN**

**26. What happens if I get a medical item from a non-contract supplier and an exception does not apply?**

If an exception does not apply and a non-contract supplier in one of the 10 initial areas furnishes you with an item included in the program, you should be given an **Advance Beneficiary Notice (ABN)**. This notice says Medicare probably won't pay for the item or service. By signing this notice, you are agreeing to pay in full for the item or service you want to get if Medicare doesn't pay for it. If you don't sign an ABN, you are not responsible for payment for the item or service.

**27. What other information is available to explain what it means if I sign an Advance Beneficiary Notice of Noncoverage/ABN?**

If you use a non-contract supplier and sign an ABN, you most likely will have to pay the entire cost for the item. Medicare has trained its customer service representatives at 1-800-MEDICARE and SHIP counselors along with other key partner groups, physicians and other referral agents and suppliers so they can provide you with ABN information. A special cover note "What you need to know when you get an Advance Beneficiary Notice of Noncoverage/ABN" was developed to explain what it means when a supplier asks you to sign one. In addition, the ABN form includes the estimated cost of the item to you.

**Problems with Suppliers**

**28. What if I have a complaint or problem with a supplier?**

You may file a complaint with your supplier. The supplier must let you know they received your complaint and is investigating it within five (5) calendar days in person or by telephone, e-mail, fax, or letter. Within 14 days, the supplier must send you the result and their response in writing. You may also make a complaint by calling 1-800-MEDICARE (1-800-633-4227). Complaints that can't be resolved by a 1-800-MEDICARE representative will be referred to the appropriate entity that will address your concern.

**Mail Order Diabetic Supplies**

**29. Do I have to get my diabetic supplies by mail order to be covered by Medicare?**

No. If you live in one of the program areas, you can get your diabetic testing supplies at your local pharmacy or storefront even if it isn't a contract supplier. If you do not obtain the item from a mail order supplier, 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.

However, if you choose to buy your diabetic testing supplies through mail order, you must use a mail-order contract supplier to get these items.

The term "mail order" refers to items ordered by phone, email, internet, or mail, and delivered to the person with Medicare's residence by common carriers like the U.S. Postal Service, Federal Express, or United Parcel Service, and does not include items bought from local supplier storefronts.

**Travel/Snowbirds**

**30. What if I travel to one of the 10 initial areas and need to get medical equipment or supplies that are included in the program?**

If you travel to or visit one of the 10 initial areas of the new program and need to get equipment or supplies that are included in the program, you must get those items from a contract supplier for that area.

The following chart describes different scenarios...

<b>If you permanently live in...</b>	<b>And travel to...</b>	<b>Type of supplier you may go to...</b>
a competitive bidding area	a different competitive bidding area	You must get competitively bid items from a contract supplier located in the competitive bidding area to which you traveled. If you don't use a contract supplier, the non-contract supplier may ask you to sign an Advance Beneficiary Notice. This notice says Medicare probably won't pay for the item or service. The non-contract supplier will probably require payment from you for the full cost of the item.
a competitive bidding area	An area <b>NOT</b> covered by the competitive bidding program	You may get items from any Medicare-enrolled DMEPOS supplier.
An area <b>NOT</b> covered by the competitive bidding program	a competitive bidding area	You must get the competitively bid item from a contract supplier in the competitive bidding area. If you don't use a contract supplier, the non-contract supplier may ask you to sign an Advance Beneficiary Notice. This notice says Medicare probably won't pay for the item or service. The non-contract supplier will probably require payment from you for the full cost of the item.
An area <b>NOT</b> covered by the competitive bidding program	An area <b>NOT</b> covered by the competitive bidding program	You may get items from any Medicare-enrolled DMEPOS supplier.

**31. If I travel to one of the 10 initial areas, will I pay the same amount as I pay at home?**

Whether or not you live in a competitive bidding area, the Medicare payment to a supplier is determined by where you permanently live. Your out-of-pocket costs will be the same as when you are at your permanent residence. You will be responsible for paying the 20 percent coinsurance after meeting your annual \$135 Part B deductible.

**32. What if I live in one of the 10 initial areas and need repair or replacement of an equipment item included in the program?**

**a. Repair ONLY**

If you own an item that needs to be repaired, you may have the repairs performed by the supplier who you have been using, whether that supplier is a contract supplier or a non-contract supplier. In these cases, Medicare pays for reasonable and necessary labor not otherwise covered under a manufacturer's or supplier's warranty.

**b. Repair and Replacement**

If you need a part replaced to make the equipment serviceable, and the replacement part is also an item included in the program, you can get the part from either a contract supplier or a non-contract supplier. In either case, Medicare pays the single payment amount provided under the new program for the replacement part.

**c. Replacement ONLY**

If you get the complete replacement of an item, you have to get your replacement equipment from a contract supplier. This includes replacement of base equipment and replacement of the parts or accessories for the base equipment that are being replaced for reasons other than servicing of the base equipment.

If you are not a permanent resident of one of the 10 initial areas of the program but you need to replace an item while visiting one of the 10 initial areas, you must get the replacement item from a contract supplier.

**Secondary Payments**

**33. How does Medicare pay for these items if I have other insurance?**

If your primary insurance policy requires you to use a non-contract supplier, Medicare may make a secondary payment to a non-contract Medicare-enrolled supplier. The supplier must meet Medicare enrollment standards and be eligible to receive secondary payments. For more information, check with your benefits administrator, insurer or your plan provider.

**Supplier Marketing**

**34. Are there rules for how contract suppliers can market to people with Medicare?**

Yes. All of the current rules and regulations regarding supplier marketing to people with Medicare under the Medicare fee-for-service program apply under the new competitive bidding program for certain medical equipment and supplies. For example, suppliers can't misuse symbols, emblems or names in reference to Social Security or Medicare. In addition, the National Supplier Clearinghouse has specific standards for suppliers with regard to marketing efforts to people with Medicare, like suppliers can't contact you by telephone when supplying a Medicare-covered item unless (1) you have given written permission to the supplier to contact them by telephone about a Medicare-covered item you need to rent or purchase; (2) the supplier is coordinating delivery of the item; or (3) if the supplier is contacting you about furnishing a Medicare-covered item other than a covered item you already have, and the supplier has furnished at least one covered item to the you during the previous 15-month period.