



MEDICARE DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS, AND SUPPLIES (DMEPOS) COMPETITIVE BIDDING PROGRAM

Tip Sheet for Referral Agents

MAY 2008



Under the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program, which is **effective July 1, 2008**, beneficiaries who obtain competitively bid items in competitive bidding areas (CBAs) must obtain these items from a contract supplier for Medicare to pay, unless an exception applies. Referral agents located in CBAs that prescribe DMEPOS for Medicare beneficiaries or refer beneficiaries to specific suppliers should be aware of which suppliers in the area are contract suppliers.

For purposes of the Medicare DMEPOS Competitive Bidding Program, **referral agents** include such entities as Medicare enrolled providers, physicians, treating practitioners, discharge planners, social workers, pharmacists, and home health agencies who refer beneficiaries for services in a CBA.

Help Medicare to Help the Beneficiary

Referral agents play a critical role in helping beneficiaries select DMEPOS suppliers that can meet the beneficiaries' needs and meet the requirements of the program. A beneficiary's first contact with the program may be at the point when he or she receives a prescription for a competitively bid item. If the beneficiary **resides in a CBA** or **is visiting a CBA in which he or she needs to obtain a competitively bid item**, he or she may need to be directed to a contract supplier.

The Medicare DMEPOS Competitive Bidding Program does not affect the beneficiary's choice of treating physician or treating practitioner.

Please note that for beneficiaries who do not reside in a CBA or are not visiting a CBA, a referral agent may continue to order supplies from any Medicare-enrolled DMEPOS supplier.

Frequently Asked Questions and Answers

What information does a referral agent need to know before prescribing a DMEPOS item for a Medicare beneficiary or referring the beneficiary to a DMEPOS supplier?

- To properly direct a beneficiary, a referral agent first needs to determine if the Medicare beneficiary resides in a CBA or will be obtaining a competitively bid item in a CBA. To determine if a beneficiary resides in a CBA, compare the beneficiary's ZIP code to the list of ZIP codes for the CBAs, which is available at <http://www.cms.hhs.gov/DMEPOSCompetitiveBid/> on the CMS website, clicking on "Metropolitan Statistical Areas and Competitive Bidding Areas" in the left-hand column, and scrolling down to "Related Links Outside CMS."
- If the beneficiary resides in one of the ZIP codes included in a CBA or is visiting a CBA in which he or she needs to obtain a DMEPOS item**, the referral agent would next determine if the DMEPOS item to be supplied to the beneficiary is included in any of the competitive bid product categories. These product categories are available at <http://www.cms.hhs.gov/DMEPOSCompetitiveBid/> on the CMS website and clicking on "Product Categories and Items" in the left-hand column.

- ***If the DMEPOS item falls into one of the competitive bid product categories***, the referral agent should inform the beneficiary of this and the need to obtain the item from a contract supplier.

How does a referral agent assist the beneficiary in locating a contract supplier?

The referral agent should let the beneficiary know about the supplier locator tool, which will be available to beneficiaries on <http://www.medicare.gov> by clicking on the “Search Tools” tab on the left. Customer service representatives at 1-800-MEDICARE can also assist beneficiaries in finding a contract supplier.

Can the referral agent prescribe any brand or mode of delivery for a DMEPOS item?

A referral agent may prescribe, in writing, a particular brand or mode of delivery for a competitively bid item if it is necessary to avoid an adverse medical outcome for the beneficiary. In these cases, the prescriber must document in the beneficiary’s medical record the reason why the specific brand or mode of delivery is necessary to avoid an adverse medical outcome. Upon receipt of the prescription, the contract supplier must either furnish the item as prescribed by the physician or treating practitioner, consult with the prescriber to find another appropriate alternative brand of item or mode of delivery, or assist the beneficiary in locating another contract supplier that can furnish the particular brand of item or mode of delivery prescribed.

Can a contract supplier provide an item different from that specified in the written prescription received from the beneficiary’s referral agent?

A contract supplier is prohibited from submitting a claim to Medicare if it provides an item different than that specified in the written prescription. Any change in the prescription requires a revised written prescription. In addition, contract suppliers are required to accept assignment for items they furnish to Medicare beneficiaries.

Can a beneficiary obtain a competitively bid item from a non-contract supplier in a CBA?

- A beneficiary obtaining a competitively bid item in a CBA must obtain the item from a contract supplier unless an exception applies, or Medicare will not pay for the item. (Information on exceptions, such as grandfathering, can be found in the MLN Matters Special Edition Articles SE0806 and SE0807, which are posted at <http://www.cms.hhs.gov/MLNMattersArticles> on the CMS website.)
- If an exception does not apply, the beneficiary is not liable for payment unless the non-contract supplier obtains a signed Advance Beneficiary Notice (ABN) from the beneficiary before furnishing the item. (Additional information about the use of ABNs with the Medicare DMEPOS Competitive Bidding Program can be found in the MLN Matters Special Edition Article SE0806. The revised ABN and form instructions can be accessed at http://www.cms.hhs.gov/BNI/02_ABNGABNL.asp#TopOfPage on the CMS website.

If a beneficiary resides in a CBA, from whom can they purchase diabetic testing supplies?

A beneficiary can purchase diabetic testing supplies from a mail order contract supplier for the area in which he or she maintains a permanent residence **OR** any enrolled Medicare supplier if the diabetic testing supplies are provided at a storefront. Medicare’s payment, and the beneficiary’s coinsurance, will be less when the diabetic supplies are obtained from a mail order contract supplier.

Can a beneficiary-owned competitively bid item be repaired and/or replaced by any supplier under the new program?

A beneficiary can obtain repairs and replacements from any Medicare enrolled supplier. However, for base equipment (e.g., wheelchairs or hospital beds) that must be replaced in its entirety, the replacement must be obtained from a contract supplier.

For more information about the DMEPOS Competitive Bidding Program, visit <http://www.cms.hhs.gov/DMEPOSCompetitiveBid/> on the CMS website.