

Frequently Asked Questions: CMS's Medicare Part B DMEPOS Accreditation, Surety Bond and Competitive Bidding Requirements

1. What does the passage of the “accreditation delay bill” mean? Am I still required to have a surety bond in order to continue billing for DMEPOS?

Recently, NCPA achieved a major success in convincing Congress and the President to delay implementation of the deadline for pharmacies to obtain accreditation as a condition for new or continued participation in the Part B DMEPOS program. Because the President signed H.R. 3663 into law on October 13, pharmacies have until January 1, 2010 to become accredited. Suppliers providing *only* Part B drugs and vaccinations do not have to meet the accreditation requirements, *but* they must meet the surety bond requirement -- as must all pharmacies -- in order to remain in the program.

2. What is the status of NCPA's efforts to obtain a more permanent, Congressional accreditation exemption?

For quite a while now, NCPA has been working to inform our members about the CMS accreditation and surety bond deadlines, while at the same time advocating before CMS and Congress as to why pharmacists and pharmacies should be exempted from the requirements. The advocacy part of this strategy also has had two prongs – pursuing a permanent exemption, while obtaining temporary relief in the form of the accreditation deadline.

Our attempts at obtaining a reasonable exemption has led to the inclusion of two provisions in the House and Senate health care reform bills, which would provide a permanent, albeit a limited, exemption from the accreditation requirement.

- The Senate Finance Committee bill includes a provision that exempts those pharmacies whose Medicare DMEPOS billings are less than 5 percent of pharmacy sales; have been enrolled as suppliers with no adverse final actions against them over the last 5 years and are willing to submit verification documentation. Accreditation would still be required for competitive bidding. The Secretary may determine more appropriate accreditation for pharmacies, as may be done for the other 17 types of medical professionals that are exempted from the accreditation requirements.

- In the House Tri-Committee bill, pharmacies that supply diabetic testing supplies, canes and crutches are exempt from the accreditation requirements. In addition, those pharmacies that have provided DMEPOS for at least 5 years with no final adverse action would be exempt from the surety bond requirement.

3. Can I expect any other developments, besides a potential, more permanent accreditation exemption?

NCPA will continue to work with Congress and CMS to address the situation on a more permanent and temporary basis. Because passage of a health care reform bill may not occur before the extension deadline of January 1, we are already working to obtain an extension of the extension, to cover that possibility.

4. I have received accreditation and I have “stepped down” by submitting an 855S indicating that I will only be supplying Part B drugs and immunizations. What do I need to do to “step back up” to full DMEPOS status?

CMS has informed NCPA that once a pharmacy has stepped down and it then obtains accreditation, CMS will pick up the accreditation information automatically from the accrediting organization. It will be entered into CMS’s enrollment and payment system. The supplier can start to bill for all supplies and services for which it has been accredited, as of the date of accreditation. *The supplier does not have to submit a new CMS-855S to “step up.”* CMS is planning on publicizing this information soon.

5. What are the next issues that pharmacy will have to face in CMS’s Part B DMEPOS program?

NCPA is continuing to address the position of community pharmacy in the DMEPOS competitive bidding program. CMS has indicated in a recent final rule that it will likely include retail diabetes testing supplies in future rounds of competitive bidding. We are continuing to oppose this position, as well as attempts to drastically reduce fee schedules for the DMEPOS supplies that community pharmacies provide their patients.

6. What is the current status of the competitive bidding program?

November 4 was the deadline for interested bidding suppliers to register for the Round One rebid of the competitive acquisition program. On October 21, CMS announced that potential bidders have 60 days to submit those bids (until December 20). CMS will award the contracts in 2010, and the contracts will begin early in 2011. One must have obtained accreditation, and a surety bond, in order to be eligible to submit a bid.

7. What should I know about the competitive bidding program, and how will it affect me?

- In the summer of 2008, Congress delayed the first round of competitive bidding by about 18 months. CMS recently announced that the 60-day supplier bidding period will begin in late October for the Round One rebid. It is conducting supplier outreach and education: www.dmecompetitivebid.com.

- The restarted first round of competitive bidding will cover 9 product categories, including mail order diabetes testing supplies and oxygen equipment, in only the first 9 Metropolitan Statistical Areas (MSAs). A list of those categories and MSAs is clarified in Question 8. The winning bid prices in those 9 categories in last year’s round one (aborted after only a couple of weeks) were significantly lower than current pricing schedules. (There were 10 product categories and 10 MSAs in the discontinued 2008 round 1.)

- While bidding requirements and expected low winning bid prices will make it likely that most pharmacies will NOT bid for these products, competitive bidding is important because:

- * It sets a precedent for future rounds. CMS intends for Round II, which is likely to begin in 2011, to commence in 70 additional MSAs.

* **Community pharmacy provision of diabetes test supplies is in danger:** CMS stated in the final competitive bidding rule that for Round II, it is looking to have national mail order programs, and it invited comments on the “inconsistency” of having mail order diabetes test supplies in competitive bidding, but retail diabetes test supplies outside of competitive bidding. NCPA has, of course, advocated keeping retail supplies out of Round I and future rounds of competitive bidding.

· We will continue advocating for fair treatment of community pharmacies and their patients on this issue, and other competitive bidding developments.

8. What are the first 9 product categories subject to competitive bidding and what are the 9 MSAs in which it will occur?

Product Categories

- Oxygen Supplies and Equipment
- Standard Power Wheelchairs, Scooters, and Related Accessories
- Complex Rehabilitative Power Wheelchairs and Related Accessories (Group 2)
- Mail-Order Diabetic Supplies
- Enteral Nutrients, Equipment, and Supplies
- Continuous Positive Airway Pressure (CPAP) Devices, Respiratory Assist Devices (RADs), and Related Supplies and Accessories
- Hospital Beds and Related Accessories
- Walkers and Related Accessories
- (**Miami Only**) – Support Surfaces (Group 2 mattresses and overlays)

MSAs:

- The first round excludes the top three (3) MSAs - New York , Los Angeles and Chicago .
- Charlotte-Gastonia-Concord , NC -SC
- Cincinnati-Middletown, OH-KY-IN
- Cleveland-Elyria-Mentor , OH
- Dallas-Fort Worth- Arlington , TX
- Kansas City , MO-KS
- Miami-Fort Lauderdale-Miami Beach , FL
- Orlando , FL
- Pittsburgh , PA
- Riverside-San Bernardino- Ontario , CA

9. Where can I find answers to more specific questions?

CMS has a [FAQ webpage](#), and you can review [NCPA’s DME Resource Center](#) or contact the NCPA Government Affairs department at (703) 683-8200.