

# **A VICTORY ENSURING BENEFICIARY ACCESS**

## **Community Pharmacy can Continue to Sell Diabetes Monitors and Supplies Without Being Subject to Competitive Bidding**

On Monday, April 2, 2007, CMS issued its final rule on durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS), including the selection of the first 10 metropolitan statistical areas (MSAs) subject to competitive bidding in contract year (CY) 2007.

The final rule, which exempts retail pharmacy from competitive bidding requirements for diabetes supplies, is a direct result of the extensive grassroots activities generated by NCPA. NCPA has repeatedly advocated that the burdensome accreditation and competitive bidding requirements would dramatically reduce consumer access to diabetes testing devices and other health care products.

### **In the diabetes supply category:**

- Blood glucose monitors and supplies at retail are not subject to competitive bidding at this time.
- Only diabetes supplies obtained via mail order are subject to competitive bidding at this time.
- If the beneficiary chooses to obtain their diabetes supplies from a local pharmacy or supplier by means other than mail delivery, then they can obtain the supplies from any enrolled Medicare supplier. Payment for the supplies will be based on the current fee schedule payment methodology.

### **Competitive bidding will apply in 2007 for the following areas and for the following products:**

- **The contract year (CY) 2007 Metropolitan Statistical Areas (MSAs) are:**

Miami-Fort Lauderdale-Miami Beach, FL; Charlotte-Gastonia-Concord, NC-SC; Dallas-Fort Worth-Arlington, TX; Orlando, FL; Riverside-San Bernardino-Ontario, CA; Pittsburgh, PA; Kansas City, MO-KS; Cincinnati-Middletown, OH-KY-IN; San Juan-Caguas-Guaynabo, Puerto Rico; and Cleveland-Elyria-Mentor, OH. By CY 2009, CMS intends to select 70 more MSAs.

- **Categories of DME that are subject to competitive bidding CY 2007 are:**

Oxygen equipment and supplies; respiratory assist devices and continuous positive airway pressure devices and accessories; standard power wheelchairs, scooters, and related accessories; and complex rehabilitative power wheelchairs and related accessories; **diabetes supplies (mail order only)**; enteral nutrition formulas, pumps, and supplies; hospital beds and accessories; walkers; negative pressure wound therapy devices and accessories; and support surfaces (Group 2 and 3 mattresses and overlays) as a target item in Miami and San Juan, Puerto Rico.

### **What does this mean for you?**

1. If the only DMEPOS supplies you provide are diabetic supplies, whether or not you are in one of the first 10 MSAs, you only have to obtain accreditation at some point before 2010.
2. If you are located in one of the first 10 MSAs, and you want to continue providing some of the supplies listed above that are subject to competitive bidding, then you will have to be accredited in order to win Medicare bids, although you may submit bids if you are pending accreditation. The bidding process will begin later this month, with CMS accepting bids for 60 days.
3. Part B drugs and vaccinations are NOT subject to accreditation and competitive bidding requirements.

**(continued)**

**Small Suppliers:**

Small businesses will garner protection from CMS's "30 percent rule." The rule ensures that at least 30 percent of bid winners are small businesses. Those too small to supply equipment to an entire competitive bidding area (CBA) alone will be allowed to unite with other small suppliers to submit bids. The new CMS regulations define small suppliers as those entities doing less than \$3.5 million in Medicare and non-Medicare sales. In addition, small suppliers will be allowed to unite with other small suppliers to submit bids.

**Timeline:**

The bidding process will begin later this month, with CMS accepting bids for 60 days. Winning bids will be announced in December. CMS will use the median of the winning bids to establish "Medicare single payments," which will apply universally to like products within each CBA. The Medicare single payments will replace current fee schedule amounts for those products, and will go into effect in April 2008.

For more info, visit NCPA's DME Resource Center: <http://www.pharmacistelink.com/medicaredme/>.

Contact: NCPA Government Affairs (703) 683-8200.