

New Program Will Save Money for Medicare and Consumers

If you need certain medical equipment and supplies, such as oxygen or a power wheelchair, you should know about a new Medicare program in your community that will save you money on certain medical equipment and supplies as long as you get them from a Medicare contract supplier. The program also ensures that you will continue to receive high quality medical items while helping to prevent fraud.

Starting January 1, 2011, if you live in or visit the greater *Kansas City, Missouri-Kansas area* or one of the communities listed below, and must obtain equipment or supplies included in the program, you will have to use Medicare contract suppliers if you want Medicare to help you pay for the item. If you rent oxygen or certain other items such as Continuous Positive Airway Pressure (CPAP) machines or hospital beds, you may be able to continue renting these items from your current supplier when the program takes effect, if the supplier decides to participate in the program as a “grandfathered” supplier. If you don’t use a Medicare contract supplier or a grandfathered supplier, Medicare won’t pay for the item and you will likely pay full price. The program won’t change what items and services are covered by Medicare as long as you use a Medicare contract supplier. So you can still get the medical equipment and supplies that you need when you need them.

What Areas and Items are Included?

The first nine areas included in the new program are 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-Pompano Beach, FL; Orlando-Kissimmee, FL; Pittsburgh, PA; and Riverside-San Bernardino-Ontario, CA.

The counties to be covered in Kansas City, Missouri-Kansas for non-mail order products are:

<i>Kansas Counties</i>	<i>Missouri Counties</i>
<i>Franklin</i>	<i>Bates</i>
<i>Johnson</i>	<i>Caldwell</i>
<i>Leavenworth</i>	<i>Cass</i>
<i>Linn</i>	<i>Clay</i>
<i>Miami</i>	<i>Clinton</i>
<i>Wyandotte</i>	<i>Jackson</i>
	<i>Lafayette</i>
	<i>Platte</i>
	<i>Ray</i>

The product categories included in the program for the first nine areas are:

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

A Better Way for Medicare to Pay for Medical Equipment

Medicare generally pays 80 percent of the “fee schedule” payment amount for durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) used in the home under Part B Medicare, and people with Medicare pay the remaining 20 percent. For most of these items, the fee schedule payment amounts are based on historical charges, adjusted for inflation at times, and not on current market prices. Numerous studies by the Department of Health and Human Services Office of the Inspector General and the Government Accountability Office have found that the prices paid by Medicare for certain medical items are excessive --- sometimes three or four times retail prices and the amounts paid by commercial insurers.

Under this program, suppliers submit bids for certain medical equipment and supplies that must be lower 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. Since Medicare’s payment amount will be less, your coinsurance amount will be less too. *As a result of the competitive bidding process, the amounts that Medicare will pay in Kansas City, Missouri-Kansas for the nine product categories included in the Round One Rebid of the DMEPOS Competitive Bidding Program are on average 28 percent less than Medicare’s current fee schedule amounts.*

All Medicare DMEPOS suppliers, including suppliers participating in this program, are required to be accredited and meet quality standards. The quality standards include key beneficiary protections and safeguards related to respiratory equipment, power mobility devices such as power wheelchairs, and other medical equipment. All of these important protections and safeguards will continue to be enforced by independent Accreditation Organizations under the program.

Only DMEPOS suppliers that meet Medicare’s competitive bidding requirements and quality standards will get contracts to provide medical equipment and supplies in these areas. This means you’ll be getting high quality products and services at lower prices and will help to prevent fraud.

Get More Information

Medicare plans to announce the contract suppliers for the new program in September 2010, which will be available on www.medicare.gov. Once the contract suppliers have been announced, you should check with your current supplier to make sure it is a Medicare contract supplier to ensure your item is covered by Medicare and to avoid any disruption of service. For more information, you can call 1-800-MEDICARE (1-800-633-4227) or visit www.medicare.gov.

This information is provided by the United States Department of Health and Human Services.