

Part B Insider (Multispecialty) Coding Alert

DME :Competitive Bidding Steamrolls Ahead Suppliers are in for the fight of

Medical equipment suppliers must have accreditation, surety bonds to bid.

Suppliers are in for the fight of their lives as the second coming of competitive bidding gets underway.

CMS announced a general timeline for durable medical equipment competitive bidding's relaunch this year. CMS will conduct "pre-bidding awareness and education" this spring, it says in a release. That includes the Program Advisory and Oversight Committee (PAOC) meeting taking place at press time.

In the summer, CMS will require suppliers to register for bidding IDs and passwords. The agency will also release a more specific timeline and conduct bidding education.

In the fall, suppliers will start the actual bidding process, CMS says.

"If you are a supplier interested in bidding, prepare now -- don't wait!" CMS urges in the release. Suppliers should use this time to get accredited and obtain a surety bond, as Medicare requires, CMS advises.

Important: CMS will not allow suppliers to even submit bids if they lack accreditation in the product category bid upon, or if they don't have a surety bond, the agency reveals.

Suppliers must also have all their state licenses and National Supplier Clearinghouse enrollment information up to date, CMS adds.

Suppliers are not happy about the return of the reviled program. In a survey of 242 home medical equipment companies by the newly formed Committee to Save Independent HME Suppliers (CSI:HME), suppliers ranked a repeal of competitive bidding as their number-one priority.

Many suppliers fear they won't survive bidding, **Tom Inman** of Virginia Home Medical in Newport News, Va. says in the CSI:HME release.

"With the unreasonably low fees in the first bid, most providers are very concerned that the rebid prices will be driven even lower by the fear of being left out," adds CSI:HME's **David Petsch**.

Failure to win a bid combined with the big cut to Medicare's oxygen rates will be fatal for many suppliers, fears **Esta Willman** of Medi-Source Equipment & Supply in Yucca Valley, Calif. "Independent providers like me will have difficulty surviving unless they win the bid," notes former PAOC member Willman in the release.

CMS insists it has taken steps to remedy the problems in last year's initial round of bidding. In addition to the accreditation and surety bond requirements, CMS has added a step to the financial document review -- or "covered document review process" -- to identify any missing financial documents from the bid submission, the agency says in a release.

"CMS has made a number of process improvements for the Round One Rebid, such as an upgraded online bid submission system, early bidder education, and increased oversight of bidders that are new to product categories or competitive bidding areas to ensure they meet CMS's requirements," the agency maintains.

Other changes: The MIPPA law that delayed bidding last year also required CMS to eliminate Puerto Rico and negative pressure wound therapy from Round One, and group 3 complex rehabilitative power wheelchairs from the program

altogether, CMS notes. Contract suppliers must also disclose their subcontracting relationships with CMS.

There is currently no legislation delaying or eliminating the bidding program, notes the National Association of Independent Medical Equipment Suppliers. But suppliers hope to have a delay or complete rescission worked into the quickly forming health care reform package.

Congress' intention to quickly deal with health care reform combined with the fast-approaching bidding deadlines make movement on the topic an imperative for suppliers.

"As Congress begins its summer schedule with a 'must pass' health care overhaul effort, we have merely weeks -- not months -- to get this effort accomplished," provider network VGMinWaterloo, Ia. notes on its Web site.

More information about the newly announced bidding details is at www.cms.hhs.gov/DMEPOSCompetitiveBid.