

What's New

The Medicare Improvements for Patients and Providers Act (MIPPA) enacted on July 15, 2008, made limited changes to the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program. In addition, the Centers for Medicare & Medicaid Services (CMS) has made certain operational refinements to the program. Here are key Round 1 Rebid policy updates, bidding rules and process changes, and bidding refinements suppliers should consider when preparing and submitting their bids.

Policy Updates

Product Categories – The same items that were included in the Round 1 bidding are included in the Round 1 Rebid with the exception of Negative Pressure Wound Therapy Pumps, which are excluded from the Round 1 Rebid, and Group 3 Complex Rehabilitative Power Wheelchairs, which are permanently excluded from the Competitive Bidding Program. Oxygen accessories are no longer separately payable because ownership of the equipment no longer transfers to beneficiaries. Rental payments cover oxygen equipment, supplies and accessories. Therefore, the oxygen accessory Health Care Common Procedure Coding System (HCPCS) codes have been omitted from the bidding for the Round 1 Rebid. For additional information on the Round 1 Rebid items, please refer to the [Items and Services Fact Sheet](#).

Competitive Bidding Areas (CBA) – The same CBAs that were included in the Round 1 bidding are included in the Round 1 Rebid with the exception of San Juan, Puerto Rico. For additional information on the Round 1 Rebid CBAs, please refer to the [Competitive Bidding Areas \(CBAs\) Fact Sheet](#). Please note that the Office of Management and Budget (OMB) changed the name of the Miami CBA since Round 1. The CBA name is now Miami–Ft. Lauderdale–Pompano Beach. It is important to know that only the name of the CBA has changed, not the area.

Covered Document Review Date (CDRD) – We are implementing a new process to notify suppliers that submit financial documents by the Covered Document Review Date (CDRD) of any missing financial documents. The CDRD is either the later of the date that is 30 days before the end of the bid submission due date or 30 days after the start of the bid submission period. The actual CDRD is announced when bidding opens. Suppliers that submit financial documents by the CDRD will be notified of any missing financial documents within 45 days of the CDRD. Suppliers are required to submit the missing financial document(s) within 10 business days of the notification. This process only determines if there are any missing financial documents. It does not indicate if the documents are acceptable, accurate, or meet applicable requirements. For additional information on the CDRD, please refer to the [Covered Document Review Date Fact Sheet](#).

One Year of Financial Documents – Suppliers must submit financial documents for the immediate one (1) year prior to the date on which the bid is submitted. Suppliers are no longer required to submit three (3) years of financial documents.

Subcontractor Disclosure and Accreditation – Subcontractors must meet applicable accreditation requirements. Contract suppliers must notify CMS of any subcontracting relationships that they have entered into for purposes of furnishing items and services under the program. They must also disclose whether the subcontractor meets accreditation and state licensure requirements necessary to furnish these services. After the award of contracts, suppliers must notify CMS within 10 business days of entering into an agreement with subcontractors. For additional information on subcontracting, please refer to the [Subcontracting Fact Sheet](#) and [FAQs](#).

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Accreditation and Surety Bond – Pending accreditation will not be accepted in the Round 1 Rebid. Suppliers must be accredited for a product category in order to submit a bid for that product category. CMS cannot contract with suppliers that are not accredited by a CMS-approved accreditation organization for the applicable product categories. Suppliers subject to the surety bond requirement must be bonded in order to bid.

Bidding Rules and Processes Changes

Certification Page – Bidding suppliers electronically sign and certify their bids within DBidS (the new and improved online bidding system). Only network members must submit hardcopy certification statements. A signed network certification statement from each network member must be submitted along with each network member's financial documents and the other network hardcopy documents. Suppliers that are not network members need not submit a hardcopy certification page.

Process for Correcting Hardcopy Documents – For the Round 1 Rebid, bidding suppliers that want to submit corrected or missing hardcopy documents during the bid window do not have to submit an entirely new hardcopy package of all documents. If a bidder needs to submit a hardcopy document after sending an initial package of documents, the bidder should submit only the corrected or missing document. Be sure the bidder number is on each page. CMS will not accept hardcopy documents after bidding closes unless they are financial documents requested under the covered document review process.

Bona Fide Bid Review – The Competitive Bidding Program regulations continue to require that each bidder submit a bona fide bid that complies with all the terms and conditions specified in the Request for Bids (RFB) (see 42CFR414.414 (b)(4)). Bid amounts for each item must be bona fide (i.e., when the bid is considered by itself without considering bids submitted for the other items in the product category, it passes scrutiny as a rational and feasible payment for furnishing the item). All bids are evaluated and screened to ensure that they are bona fide. During Round 1, bid amounts were compared to other bid amounts submitted for the same item in the same CBA. For the rebid, bid amounts will be compared to other bid amounts submitted for the same item across all CBAs. This will provide consistency and prevent bid amounts for the same items from being considered bona fide in one CBA and not bona fide in other CBAs. For additional information on bona fide bids, please refer to the [Bona Fide Bids Fact Sheet](#).

Early Verification of Licensure – As in Round 1, suppliers must meet all state licensure requirements to submit a bid. CMS will be verifying licensure status earlier in the bid evaluation process. Suppliers must ensure that they have all required licenses on file with the National Supplier Clearinghouse (NSC) before submitting a bid. Pending licensure is unacceptable. For additional information on licensure, please refer to the [Licensure Fact Sheet](#) and [Licensure State Directories](#).

Bidding Improvements

System Users –New user roles have been defined for DBidS: authorized officials, backup authorized officials, and end users. This allows multiple individuals from the same organization to register to get user IDs and passwords to enter and view data in DBidS. However, only one user may enter data on the same form at the same time. Only authorized officials and backup authorized officials may certify bids.

“Cut and Paste” Feature – Bidding suppliers may “cut and paste” data entered for the manufacturer, make, and model number question for one product category into another Form B for the same product category in a different CBA (for example, standard power wheelchairs in Miami and Dallas CBAs).

Manufacturer, Model Name, and Model Number – Suppliers must provide the manufacturer, model name, and model number for the top HCPCS codes in each product category for which they are submitting a bid. Suppliers are no longer required to provide this information for all HCPCS codes in the product category.

Bidding Information Charts – The [Bidding Information Charts](#) from Round 1 have been refined for the Round 1 Rebid. The number of beneficiaries who received each item, identified by HCPCS code, in 2008 as well as the number of items paid for by Medicare in 2008 are displayed in the charts. For utilization data, items that are paid on a monthly rental basis, and for which a purchase bid amount is required, have been converted into an annual purchase number to correlate with the definition of a unit.

Sample Financial Statements – [Samples](#) of the required financial statements (income statement, balance sheet, and statement of cash flow) and income tax return form have been issued for the Round 1 Rebid. Each sample statement also provides important tips to assist suppliers with providing the required information.

Financial Documents Chart – A [chart](#) that lists the financial documents required for each type of business has been issued for the Round 1 Rebid.

ZIP Codes and HCPCS Codes – Files with the [ZIP codes](#) included in each CBA has been issued in both Adobe Acrobat PDF and Microsoft Excel formats. Files with the items (identified by [HCPCS codes](#)) included in each product category is also provided in Adobe Acrobat PDF and Microsoft Excel formats. The Excel format provides bidding suppliers with greater flexibility in using the data to complete their bids.