

Eligibility Requirements

A supplier must meet certain eligibility requirements before it can submit a bid and be awarded a contract under the DMEPOS Competitive Bidding Program.

1. A bidder must be a DMEPOS supplier in good standing with the National Supplier Clearinghouse (NSC) and possess an active Provider Transaction Access Number (PTAN) for each location listed on the bid. Each supplier should ensure that its Provider Enrollment, Chain and Ownership System (PECOS) file is up-to-date with current information, as information in PECOS will be verified during the registration and bidding process.
2. A supplier must be accredited by a Centers for Medicare & Medicaid Services (CMS) approved accrediting organization for all items in each product category for which it submits a bid. CMS cannot award a contract to a supplier that is not accredited. It is important to note that no accreditation exemptions are applicable for participation in the Competitive Bidding Program. Locations must be accredited to furnish competitively bid items regardless of any exemptions extended for Medicare enrollment purposes. For a listing of CMS approved accrediting organizations, please visit the [CMS website](#).
3. A supplier submitting a bid for a product category in a competitive bidding area (CBA) must have all applicable required state licenses on file with the NSC and in PECOS by the close of the bid window. The enrollment record should indicate the states and items that are furnished by the supplier. A supplier's bid(s) will be disqualified if it does not meet all state licensing requirements for the applicable product categories in a CBA. For every item in a product category, a contract supplier must have at least one location eligible to furnish the item(s) within the CBA in order to be awarded a contract for the CBA and product category combination.

Each location identified in a bid must have all applicable licenses for every state in which it provides services. For more information about licensing requirements, please see the licensure directory on the [NSC website](#), and the [Licensure for Bidding Suppliers](#) fact sheet on the Competitive Bidding Implementation Contractor (CBIC) website.

4. Each contract supplier must be ready to furnish services in the CBA on day one of the contract period. Suppliers with physical locations outside of CBAs may bid in those CBAs only if they meet all requirements (e.g., state licensure, accreditation) before the close of the bid window. If awarded a contract, only the locations identified by a PTAN on Form A in DBidS (the online bidding system) and qualify to furnish items in the CBA and product category competition are eligible for Medicare payment for competitively bid items at the time the program begins. Contract suppliers may request that locations be added or removed from their contracts at any time during the contract period.
5. Contract suppliers may use a subcontractor to assist them with carrying out the terms of the competitive bidding contract. Per the DMEPOS supplier standards outlined in 42 CFR §424.57, contract suppliers may subcontract these functions only:
 - purchase of inventory,
 - maintenance and repair of rented equipment,
 - delivery only of a Medicare covered item, and
 - setup and/or instruction on use of a Medicare covered item

Contract suppliers are responsible for the items and services they furnish directly or through the use of a subcontractor. This includes maintaining proper documentation and ensuring appropriate delivery, setup, and/or instruction. For additional information on subcontracting, please see the [Subcontracting](#) fact sheet.

