

Dear PMC Members:

As you know, the interim final rule (IFR) implementing mandatory consolidation of home health providers through competitive bidding goes into effect tomorrow, April 18th. Below is CMS' Press Release announcing implementation of the rule:

Friday, Apr. 17, 2009

STATEMENT ON THE DMEPOS COMPETITIVE BIDDING PROGRAM

CENTERS FOR MEDICARE & MEDICAID SERVICES

The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), enacted on July 15, 2008, made limited changes to the competitive bidding program for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS), including a requirement that the Secretary conduct a second competition to select suppliers for Round 1 in 2009. The Centers for Medicare & Medicaid Services (CMS) issued an interim final rule with comment period (IFC) on January 16, 2009. The rule incorporates into existing regulations specific statutory requirements contained in MIPPA related to the competitive bidding program.

The Administration delayed the effective date for the IFC to allow CMS officials the opportunity for further review of the issues of law and policy raised by the rule. Based upon its review and on the need to ensure that CMS is able to meet the statutory deadlines contained in MIPPA, the Administration has concluded that the effective date should not be further delayed. The rule will become effective tomorrow, April 18, 2009. However, there will be no immediate effect on the Medicare DMEPOS benefit and Medicare beneficiaries may continue to use their current DMEPOS suppliers at this time.

During the comment period, CMS received many suggestions by a range of stakeholders to make further improvements to the competitive bidding program, such as ensuring that CMS's processes for collecting and evaluating bids are fair and transparent. In the upcoming weeks, CMS will be issuing further guidance on the timeline for and bidding requirements related to the Round 1 re-bid. In finalizing these guidelines, CMS will continue to seek input from all affected stakeholders to ensure program implementation consistent with the legislative requirements.

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