Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Competitive Bidding Program
Health Status Monitoring
Summary of Findings thru the Third Quarter of 2018

No negative changes in beneficiary health outcomes resulting from the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program have been observed to date.

The Centers for Medicare & Medicaid Services (CMS) has been actively monitoring the competitive bidding program since it was first implemented on January 1, 2011. CMS currently actively monitors Round 2 Recompete competitive bidding areas (CBAs) and National Mail-Order Recompete CBAs where competitive bidding was implemented on July 1, 2016, as well as all Round 1 2017 CBAs, where the program was implemented on January 1, 2017. All Round 1 2017 and Round 2 Recompete CBAs are assigned to one of four DME Medicare Administrative Contractor (MAC) regions based on their geographic location (Northeast, Midwest, South, and West). This assignment can be found in all workbooks in the "DME Region Map" tab. The National Mail-Order Recompete CBAs include all parts of the United States, including the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa. CMS monitors three groups of beneficiaries in each of the four DME MAC regions and the national mail-order program CBA.

1. "Enrolled Population"—all people in the CBA enrolled in Original Medicare.
2. "Utilizers"—Original Medicare beneficiaries in the CBA who have a claim for one of the competitively bid products.
3. "Access Groups"— Original Medicare beneficiaries who are likely to use one of the competitively bid products on the basis of related health conditions. In the case of mail-order diabetes supplies, for example, the relevant access group would be composed of beneficiaries with diabetes.

Within these groups, CMS monitors claims rates and a range of health outcomes including deaths, hospitalizations, emergency room visits, physician visits, admissions to skilled nursing facilities, average number of days spent hospitalized in a month, and average number of days in a skilled nursing facility in a month. We also monitor beneficiaries who no longer have claims for a competitively bid item after the program began, beneficiaries who may at some point need the item, and beneficiaries who currently have claims for competitively bid items. The data have not indicated any negative changes in beneficiary health outcomes in any group. Separate workbooks displaying the aggregate level rates for the three groups can be found on the CMS website.

The basic structure of the monitoring efforts considers historical and regional trends in health status. To control for historical trends, each CBA's historical baseline for each rate is provided, beginning in January 2011. Historical health outcome rates for Round 1 2017 CBAs, Round 2 Recompete CBAs, and non-CBAs are provided for each of the four DME MAC regions to provide context for current CBA rates.

In general, Round 1 2017 and Round 2 Recompete rates in each DME MAC region track closely with rates in non-CBAs both before and after the implementation of the programs. For mail-order diabetes supplies, we provide national rates, as well as historical rates in Round 1 2017 and Round 2 Recompete regions for each of the four DME MAC regions. To provide context for overall access to diabetes supplies, we similarly display rates for non-mail-order diabetes supplies, although they are currently not a competitively bid product category. Importantly, mortality and morbidity rates commonly display seasonal trends unrelated to the competitive bidding program (e.g., winter months of each year typically have elevated rates of mortality and morbidity). Additionally, rates that appear more variable tend to be based on a smaller number of beneficiaries.

Note:
Since the implementation of the ICD-10 code set on October 1, 2015, CMS has released ICD-10 code updates on a fiscal year basis. The ICD-10 code updates incorporate new diagnosis codes and/or remove retired diagnosis codes. These updates, as well as any adjustments to existing diagnosis code pairs, may result in changes to the General Equivalence Mappings (GEMs), which is a tool used to convert ICD-9 codes to ICD-10 codes and vice versa.

Beginning with the fourth quarter of 2017, the public use files have been updated to incorporate the new ICD-10 codes that are related to the following populations: commode chairs access group, diabetes access group, oxygen access group, standard wheelchairs access group, TENS access group, and walkers access group. In addition, beginning with the second quarter of 2018, the public use files have been updated to incorporate additional ICD-10 codes that are related to the following populations: commode chairs access group, diabetes access group, hospital beds access group, NPWT access group, patient lifts access group, seat lifts access group, standard wheelchairs access group, TENS access group, and walkers access group.

A comprehensive listing of all ICD-10 codes can be found in the "Downloads" section of the Health Status Monitoring page on the CMS website.