Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Competitive Bidding Program
Health Status Monitoring
Summary of Findings thru the Fourth Quarter of 2019

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 DMEPOS Competitive Bidding Program since it was first implemented on January 1, 2011. However, all DMEPOS Competitive Bidding Program contracts expired on December 31, 2018. As of January 1, 2019, there is a temporary gap in the entire DMEPOS Competitive Bidding Program that CMS expects will last until December 31, 2020.

On March 7, 2019, CMS announced the next round of competitive bidding, Round 2021, which is scheduled to become effective January 1, 2021, and extend through December 31, 2023. During this gap period, CMS is continuing to monitor claims rates and health outcomes in the previous Round 1 2017 (R1 2017), Round 2 Recompete (R2RC), and the National Mail-Order Recompete (NMORC) competitive bidding areas (CBAs) through December 31, 2020. No changes have been made to the monitoring methodology.

All R1 2017 and R2RC 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 Durable Medical Equipment Medicare Administration Contractor (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. Each Excel file contains 48 months of data that captures historical and more recent trends in each health outcome for R1 2017 CBAs, R2RC CBAs, and non-CBAs for each of the four DME MAC regions.

In general, R1 2017 and R2RC 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 R1 2017 and R2RC 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.