

CMS DMEPOS Competitive Bidding Program “Round 2021” Includes New Products And “Lead Item Pricing”

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The Centers for Medicare and Medicaid Services (CMS) announced a new round of competitive bidding for certain durable medical equipment, prosthetics, orthotics and supplies (DEMPOS), with contracts scheduled to become effective on January 1, 2021, and extend through December 31, 2023. “Round 2021” will consolidate the Round 1 2017 and the Round 2 Recompete competitive bidding areas (CBAs) into a single competition for 130 CBAs.

As part of Round 2021, CMS is adding non-invasive ventilators, off-the-shelf (OTS) back braces and OTS knee braces to the list of product categories subject to competitive bidding, in addition to commode chairs, continuous positive airway pressure (CPAP) devices and respiratory assist devices (RADs), enteral nutrition, hospital beds, nebulizers, negative pressure wound therapy (NPWT) pumps, oxygen and oxygen equipment, patient lifts and seat lifts, standard manual wheelchairs, standard power mobility devices, support surfaces (groups 1 and 2), transcutaneous electrical nerve stimulation (TENS) devices, and walkers. The national mail-order program for diabetes testing supplies is not included.

CMS is also changing the bidding and payment methodology for items included in Round 2021 with the introduction of lead item pricing. Specifically, bids and payment rates will be tied to the lead item assigned to each product category rather than to each item within a product category. Bids for lead items will be used to calculate the single payment amounts (SPAs) for all items within that product category.

Previously, the SPA for an item was equal to the median of the bids submitted for that item by bidders whose composite bids were equal to or below the pivotal bid for that product category in a CBA. In Round 2021, the SPA for a lead item is the maximum bid submitted for that item by bidders whose lead item bids for the product category are equal to or below the pivotal bid for that product category in a CBA. The SPAs for non-lead items will be determined by multiplying the lead item SPA by a relative ratio based on the historic differences in the fee schedule amounts for the lead item and non-lead items. CMS has provided a [lead item pricing calculator](#) to calculate payment rates for each item included within a product category based on an anticipated lead item bid amount.

CMS expects to announce dates for Round 2021 registration and bidding in May 2019, when it will begin its bidder education program. The bid window is expected to open in June 2019. Suppliers that anticipate submitting bids for Round 2021 should ensure that they satisfy all applicable Medicare enrollment and competitive bidding requirements, including licensure, accreditation and surety bonds. Suppliers should also monitor the [competitive bidding implementation contractor website](#) for further timing updates.

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