

Examining the effects of competitive bidding for diabetes testing supplies and improving Medicare payment policies for DMEPOS products excluded from competitive bidding

ISSUE: Medicare's Competitive Bidding Program (CBP) has driven down the cost of durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS). To evaluate whether the CBP negatively affected beneficiary health outcomes, we analyzed the effects of including diabetes testing supplies in the National Mail-Order Program. We also analyzed spending trends for products excluded from the CBP.

KEY POINTS: We found no evidence that the National Mail-Order Program disrupted access to diabetes testing supplies, negatively affected health outcomes, or shifted costs to the hospital setting. We also found that Medicare spending has grown for products not included in the CBP. Some non-CBP products could be included in future rounds of the CBP.

ACTION: Commissioners will review and discuss the material.