

## **Medicare payment policy for non-competitively bid durable medical equipment, prosthetics, orthotics, and supplies**

**ISSUE:** As required by statute, the Centers for Medicare & Medicaid Services (CMS) implemented the durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) Competitive Bidding Program (CBP) in 2011 to use market competition to reduce payment rates and limit fraud and abuse, while ensuring beneficiaries retained access to needed products. However, many DMEPOS products are excluded from CBP and paid using a fee schedule that is largely based on outdated supplier charge data.

**KEY POINTS:** At the November meeting, we will review spending trends and pricing accuracy of non-competitively bid DMEPOS products and discuss options to reform Medicare’s payment policies for those products.

**ACTION:** Commissioners should review and comment on the material.