Medicare Bidding System for Medical Equipment Plagued by Flaws, Delays, Lack of Transparency

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WASHINGTON, Nov. 3, 2010 /PRNewswire-USNewswire/ -- The inherent design flaws, long overdue announcement of winners, and lack of transparency in Medicare's controversial "competitive" bidding program for home medical equipment have made it difficult for homecare patients and providers to prepare for steep reductions in the number of providers that will be allowed to serve Medicare patients.

With less than 60 days remaining before the implementation of the program, the Centers for Medicare and Medicaid Services (CMS) has not completed the contracting process. CMS is now five weeks past its September 2010 deadline for completing contracting and announcing the bid winners.

New, unsustainable Medicare reimbursement rates and a sharp reduction in providers will occur on January 1, 2011 in nine of the largest metropolitan areas in the U.S., including Charlotte, Cincinnati, Cleveland, Dallas-Fort Worth, Kansas City, Miami, Orlando, Pittsburgh, and Riverside, California. Another 91 areas throughout the U.S. will be subjected to the bidding program starting later in 2011. The bidding system affects providers and users of home or durable medical equipment and services such as oxygen therapy, respiratory devices, hospital beds, wheelchairs, and other medically required equipment and supplies needed by seniors and people with disabilities in Medicare.

Home medical equipment providers in the affected regions will need to make numerous administrative and operational changes well before January 1, 2011. Those changes relate to regulations affecting "grandfathering" notifications to patients, subcontracting arrangements, and changes in company ownership. Medicare beneficiaries have received little information to date about the coming changes.

Another Study Describes the Deep Flaws in the CMS Bid System

A recent study conducted by economists including Charles R. Plott, professor of economics at the California Institute of Techno
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SOURCE [1]

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