

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL



TO <i>Giese/Williams</i>	DATE <i>3-21-13</i>
-----------------------------	------------------------

DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>000292</i>	2. DATE SIGNED BY DIRECTOR <i>cc: Kost, Lynch</i> <i>Gov # 307172</i> <i>Cleared 4/2/13, letter attached</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____	<input type="checkbox"/> FOIA DATE DUE _____
		<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>4-1-13</i>	
	<input type="checkbox"/> Necessary Action DATE DUE _____		

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1. <i>Valentin</i>	<i>4-1-13</i>		
2. <i>BS Leri</i>	<i>4/2/13</i>		
3.			
4.			

Jennifer Lynch

From: Peters, Hal <HalPeters@gov.sc.gov>
Sent: Monday, March 18, 2013 1:21 PM
To: Jennifer Lynch
Subject: HHS.PDF
Attachments: HHS.PDF

RECEIVED

MAR 18 2013

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Hey Jenny

Attached you will find correspondence we are referring to you. Their reference numbers are: 304367, 307172, 308134, and 309319.

If you could please respond to their concerns, I would appreciate it! Thanks Jenny!

Sincerely,

Hal Peters

Policy Analyst | Office of Governor Nikki R. Haley o 803.734.4062 e halpeters@gov.sc.gov

nhcorrespondence,

From: Office of the Governor Site Support <tcrim@mcscolumbia.com>
Sent: Monday, February 11, 2013 4:27 PM
To: Haley, Nikki
Subject: Competitive Bidding

Title:
First Name: Tammy
Middle Initial:
Last Name: Crim
Suffix:
Street Address: 209 Westside Dr
Street Address 2:
City: Lexington
State: SC
Zip: 29072
Phone: 803-429-2594

Email: tcrim@mcscolumbia.com

Affiliation: Constituent
Message:
Tammy Crim
209 Westside Dr
Lexington, SC 29072-2320

February 11, 2013

The Honorable Nikki R. Haley
Governor of South Carolina
1205 Pendleton Street
Columbia, SC 29201

Governor Haley:

 No BUSINESS! Not Apple! Not Exxon! Not GE! No Business can survive a 45% decrease in their selling price for their products.

Yet you seem willing to allow CMS to use a totally non-transparent(so much for President Obama's transparency speech) unprecedented and NEVER before used "bidding systems" to decrease the allowable for Durable Medical Equipment by an average of 45%-72% for diabetic supplies.

I challenge you, anyone on your staff or anyone at CMS to show me a 17 year Durable Medical Equipment employee how it is possible to provide a Medicare beneficiary a CPAP(a sleep apnea device) and receive a \$475 over a 13 month period to cover the cost of a registered respiratory therapist spending at least 4 hours with the patient/prescribing physician, the cost of monitoring and proving compliance, the cost of gathering the necessary billing documentation and the cost of purchasing the CPAP. I have been in the home medical equipment business for 30 years. It is impossible to do what I just explained is necessary if you --our representatives do not call CMS into account.

RECEIVED

FEB 12 2013

referred to Pulets

answered _____

HTS

Call

307172

STOP THE ROUND 2 DME COMPETITIVE BID debacle before thousands of DME businesses are forced to shut down and literally millions of Medicare patients are given both inferior equipment and non-professional service.

If you think it is possible to provide that CPAP and service it at the \$475 price set by CMS DME Competitive bid Round 2, I will be glad to come to your office for you to show me how.

Sincerely,

Tammy Crim
803-429-2594

Tammy Crim sent this message via Congress.org, which uses the Capwiz XC system. Congress.org is a free public service of CQ Roll Call.



- Firm History
- ||
- Practice Areas
- ||
- Attorneys
- ||
- Presentations
- ||
- Hall Render Website
- ||
- Contact

Posted on January 31, 2013

DMEPOS Round 2 Competitive Bidding and National Mail-Order Competition Prices Announced

On January 30, 2012, the Centers for Medicare & Medicaid Services ("CMS") announced the new, lower prices that will go into effect July 1, 2013 in the substantial expansion of the Durable Medical Equipment, Prosthetics, Orthotics and Supplier ("DMEPOS") Competitive Bidding Program. The Competitive Bidding Program prices will replace Medicare's existing fee schedule amounts in selected areas with prices based on suppliers' bids. Medicare beneficiaries in 91 major metropolitan areas are expected to save an average of 45% for certain DMEPOS items as a result of these new prices.

The product categories for Round 2 are:

- Oxygen, oxygen equipment and supplies
- Standard (Power and Manual) wheelchairs, scooters and related accessories
- Enteral nutrients, equipment and supplies
- Continuous Positive Airway Pressure ("CPAP") devices and Respiratory Assist Devices (RADs) and related supplies and accessories
- Hospital beds and related accessories

- Walkers and related accessories
- Negative Pressure Wound Therapy ("NPWT") pumps and related supplies and accessories
- Support surfaces (Group 2 mattresses and overlays)

The average percentage savings, to both beneficiaries and Medicare, from the current fee schedule amount for each product category included in Round 2 are as follows:

Oxygen, oxygen equipment & supplies	41%
Standard (power and manual) wheelchairs, scooters & accessories	36%
Enteral nutrients, equipment & supplies	41%
CPAP/RAD & related supplies & accessories	47%
Hospital beds & accessories	44%
Walkers & accessories	46%
Support surfaces (Group 2 mattresses & overlays)	63%
NPWT pumps & related supplies & accessories	41%

A full list of the prices are available at www.dmecompetitivebid.com.

CMS will now begin mailing contract offers to winning bidders. 14,654 contract offers will be made to 867 Round 2 bidders. The winning suppliers have 3,109 locations to serve Medicare beneficiaries in the competitive bidding areas. CMS will offer 15 contracts for the national mail-order program; the national mail-order program winners have 48 locations. CMS expects to complete the contracting process in time to announce the contract suppliers in the spring of 2013. Bidders that are not offered contracts will be notified of the reasons why they did not qualify for the program when the contracting process is complete. Suppliers that are not contract suppliers for this round of the DMEPOS Competitive Bidding Program may bid in future rounds.

Should you have any questions, please contact:

Todd Selby at 317.977.1440 or tselby@hallrender.com; or Kendra Conover at 317.977.1456 or kconover@hallrender.com, or your regular Hall Render attorney.

[+ Share Link](#)

Comments Off

Posted in Long-Term Care

Comments are closed.

[Next Post »](#)

« Previous Post



SUBSCRIBE

Topical Index

- Estate Planning (2)
- False Claims Act Defense (22)
- Federal Advocacy (43)
- Finance News (2)
- Governance (1)
- Hall Render Office Information (1)
- Health Care and Public Finance (3)
- Health Care Real Estate Law (11)
- Health Care Reform (11)
- Health Care Tax News (11)
- Health Information Technology (54)
- Health Law (80)
- HIPAA (20)
- Labor & Employment Law (90)
- Litigation (28)
- Long-Term Care (149)
- Reimbursement (12)
- Tax-Exempt Organizations (5)
- Uncategorized (3)

Blog Roll

- False Claims Act Defense
- Federal Advocacy
- Health Care Real Estate Law
- Health Information Technology
- HR Insights for Health Care
- Litigation Analysis
- Long-Term Care

Search for:

THIS IS AN ADVERTISEMENT

© 2002-2013. Hall, Render, Killian, Heath &
Lyman, P.C. All Rights Reserved.

This website is intended for general information purposes only and does not and is not intended to constitute legal advice. The reader must consult with legal counsel to determine how laws or decisions discussed herein apply to the reader's specific circumstances.

[Login](#)[Home](#)[About MNCHA](#)[Event List](#)[2013 Annual Meeting](#)[Competitive Bidding Round 2](#)[Contact Us](#)[Join MNCHA](#)[Sponsor MNCHA](#)[Reimbursement](#)[MNCHA Member Directory](#)[What Is Homecare?](#)[Legislative Action Center](#)[Links and Resources](#)[Public Policy](#)[Start a Health Care Business](#)

DMEPOS Competitive Bidding "Round Two" Information Page

MNCHA will use this section of the Web site to compile any relevant information on Competitive Bidding. Please send your topics, suggestions, or files for inclusion to ahorton@mncha.org. Scroll down to see all of the topics of information.

American Association for Homecare's Response to Round 2 Program Results

[Homecare Association Says CMS Pricing for DME Equipment Will Endanger Seniors, Cost Jobs, and Force Business Closures - January 30](#)

[Medicare Bidding Process Slams Home Medical Equipment Providers with Arbitrary Reimbursement Rates - February 5](#)

MEDICARE ANNOUNCES SUBSTANTIAL SAVINGS FOR MEDICAL EQUIPMENT INCLUDED IN THE NEXT ROUND OF COMPETITIVE BIDDING PROGRAM

January 30, 2013

The Centers for Medicare & Medicaid Services (CMS) today announced new, lower Medicare prices that will go into effect this July in a major expansion of the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program. The CMS Office of the Actuary estimates that the program will save the Medicare Part B Trust Fund \$25.7 billion and beneficiaries \$17.1 billion between 2013 and 2022. Medicare beneficiaries in 91 major metropolitan areas will save an average of 45 percent for certain DMEPOS items scheduled to begin on July 1, 2013.

Medicare beneficiaries across the country will save an average of 72 percent on diabetic testing supplies under a national mail-order program starting at the same time. A full list of the new prices is available at www.dmecompetitivebid.com.

"This program has already saved millions for taxpayers and beneficiaries while maintaining access to care," said CMS Acting Administrator Marilyn Tavenner. "We look forward to building on this success by serving more beneficiaries, increasing savings and helping to ensure the long-term sustainability of Medicare."

Medicare's competitive bidding program replaces its existing fee schedule amounts in selected areas with prices based on suppliers' bids, saving money for taxpayers and beneficiaries while preserving access to quality products from accredited suppliers. Using market-based prices set through competition will help ensure the long-term sustainability of the Medicare program. Small businesses represent over half of the winning suppliers in these 91 metropolitan areas.

Importantly, the program has maintained beneficiary access to quality products from accredited suppliers in the nine areas where it is currently operating; extensive real-time monitoring data have shown successful implementation with very few beneficiary complaints and no negative impact on beneficiary health status based on measures such as hospitalizations, length of hospital stay, and number of emergency room visits compared to non-competitive bidding areas. CMS will employ the same aggressive monitoring for the MSAs added in Round 2.

In its first year of operation in the nine areas of the country where the program is currently operating, competitive bidding saved Medicare approximately \$202.1 million. A complete list of the 91 areas where the program is expanding is available at www.dmecompetitivebid.com.

"We rigorously reviewed all bids using our bona fide bid process and ensured that only accredited suppliers that met financial standards and applicable licensure requirements are being offered contracts. This process will ensure that beneficiaries have access to the equipment they need at fair prices," said Jonathan Blum, deputy CMS administrator and director of CMS's Center for Medicare. "We will continue to monitor the program closely as it expands to ensure the same success we saw in the program last year, with beneficiaries continuing to have access to all the services they need, while paying a much lower price."

Additional information on the competitive bidding program is available at: www.cms.gov/DMEPOSCompetitiveBid/

Overview of the DMEPOS Competitive Bidding Program:

The DMEPOS Competitive Bidding Program was mandated by Congress through the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). The statute requires that Medicare replace the current fee schedule payment methodology for selected Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) items with a competitive bid process. The intent is to improve the effectiveness of the Medicare methodology for setting DMEPOS payment amounts, which will reduce beneficiary out-of-pocket expenses and save the Medicare program money while ensuring beneficiary access to quality items and services.

Under the program, a competition among suppliers who operate in a particular Competitive Bidding Area (CBA) is conducted. Suppliers are required to submit a bid for selected products. Not all products or items are subject to competitive bidding. Bids are submitted electronically through a web-based application process and required documents are mailed. Bids are evaluated based on the supplier's eligibility, its financial stability and the bid price. Contracts are awarded to the Medicare suppliers who offer the best price and meet applicable quality and financial standards. Contract suppliers must agree to accept assignment on all claims for bid items and will be paid the bid price amount. The amount is derived from the median of all winning bids for an item.

[Click Here](#) to view the Maryland-DC-Virginia-West Virginia CBA Map

[Click Here](#) to view the Zip Code Lists for the DC-MD-VA-WV CBA

CMS Competitive Bidding Round Two Web Site:

<http://www.dmecompetitivebid.com/palmetto/cbic.nsf/DocsCat/Home>

DC-MD-VA-WV CBA Information and Zip Codes

<http://www.dmecompetitivebid.com/palmetto/cbic.nsf/DocsCat/CBIC~Bidding%20Suppliers%20Round%202%20National%20Mail-Order~Competitive%20Bidding%20Areas~8M6KXU7876?open&navmenu=Bidding^Suppliers^Round^2^National^Mail-Order>

Competitive Bidding Round Two Timeline:

11/30/2011

The Centers for Medicare & Medicaid Services (CMS) announces bidding timeline, begins bidder education program

12/5/2011

Registration for user IDs and passwords begins

12/22/2011

Authorized Officials are strongly encouraged to register no later than this date

1/12/2012

Backup Authorized Officials are strongly encouraged to register no later than this date

1/30/2012*

CMS opens 60-day bid window for Round 2 and National Mail-Order Competitions

2/9/2012

Registration closes

2/29/2012*

Covered Document Review Date for bidders to submit financial documents

3/30/2012*

60-day bid window closes

Fall 2012*

CMS announces single payment amounts, begins contracting process

Spring 2013*

CMS announces contract suppliers, begins contract supplier education campaign

Spring 2013*

CMS begins supplier, referral agent, and beneficiary education campaign

July 1, 2013*

Implementation of Medicare DMEPOS Competitive Bidding Program Round 2 and National Mail-Order Competition contracts and prices

* = Target date. Actual date will be announced through listserv notice.

Summary of Medicare DMEPOS Competitive Bidding Problems

January 2012

The Medicare Modernization Act of 2003 (MMA) required the Centers for Medicare and Medicaid Services (CMS) to replace the home medical equipment payment fee schedule for certain items with a 'competitive acquisition' or government contracting program. The bidding program was implemented on January 1, 2011 in nine cities across the U.S. and begins in an additional 91 metropolitan areas later this year. The first nine areas are Charlotte, Cincinnati, Cleveland, Dallas-Fort Worth, Kansas City, Miami, Orlando, Pittsburgh, and Riverside, California. The bid product categories are oxygen equipment and supplies, enteral nutrition, power wheelchairs, walkers, hospital beds, support surfaces and mail-order diabetic supplies. Any provider not awarded a contract is prohibited from providing bid Medicare items for the length of the contract, typically a three-year period.

CMS originally began implementation of the program in 2007. However, due to fundamental problems with the design of the program, Congress delayed implementation for a period of 18 months in the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) so that CMS could correct those problems. In 2008, provider payment rates were reduced by 9.5 percent nationwide to pay for the bidding program delay. CMS has re-launched the program with minimal changes and ignored congressional intent, which was the basis for the initial delay.

The following are the most significant problems with the current bid system.

Problems with Current Bidding Structure

1. Bids must be Binding Commitments
 - In Medicare's bidding program, bidders are not bound by their bids. Any contract winner can decline to sign a contract. This undermines the credibility of bids, and encourages low-ball bids from suppliers. Bids that are not accepted by contract winners are still included in Medicare's calculation of bid amounts.
2. Flawed Pricing Rule
 - Rather than paying winners the clearing price (the last-accepted bid), Medicare's bidding program pays winners the unweighted median among the winning bids resulting in fifty percent of the winning bidders being offered a contract price *less than* their bids. This also means that half of the providers would reject the contract and the government would be left with insufficient supply. Other providers may accept the contract and cross-subsidize public patients with the revenue from private patients or take a loss.
3. Distorted Composite Bids
 - A composite bid is an average of a bidder's bids across many products weighted by government estimated demand. Composite bids provide strong incentives to distort bids away from costs known as bid skewing. Bidders bid low on products where the government overestimated demand and high on products where the government underestimated demand. As a result, prices for individual products are not closely related to costs and providers participating in the program can "game" the system in order to manipulate the single payment amount.
4. Lack of Transparency
 - Bids were accepted by CMS in November 2009, and now, August 2011, we still have very little information about how metrics for capacity and demand were calculated. This lack of transparency is unacceptable in a government contracting program.
5. No Due Process
 - Currently, there are no due process protections or appeals processes in place for providers regarding the establishment of payment rates, the awarding of contracts, the designation of bidding areas, the phased-in implementation, the selection of items and services or the bidding structure and number of contractors.
6. Beneficiary/patient access to care and services is restricted

- Currently, through non-assigned claims, a patient may choose a provider that is either unwilling or unable to accept assignment for the needed products and services.
- Out-of-network claims are when health insurance carriers qualify a specific group of products and services to participate in-network. If the beneficiary chooses to go out-of-network, they may have to pay more up-front, pay more than the allowed amount and pay a larger percentage of the allowed amount.

Negative Impact of Bidding Implementation on Stakeholder Communities

1. Providers of Home Medical Equipment Services

- Providers are unable to provide products and services at Medicare's low single payment amounts.
- Some of Medicare's contracted providers either do not provide the products or services that they have been contracted to provide or furnish the wrong products and services.
- Qualified local providers were not awarded contracts to serve their own patients.
- Companies are going out of business and are terminating employee positions.
- Bankrupt providers and companies with credit problems were awarded contracts.
- Unlicensed providers were awarded contracts to provide products and services.

2. Patients

- Patients do not want to leave their trusted homecare providers or be forced to use unfamiliar companies that do not meet their medical needs and/or do not have the required products or services.
- As part of the referral process, access to products and quality service is restricted for patients who are customers of non-contract providers.
- Due to the complexity of repairs rules for contract providers, it is difficult for patients to obtain wheelchair equipment repairs.
- There is a broad range of products under each HCPCS code. In some cases, the least expensive product in a HCPCS code is being provided to patients, when that product may not be the best product to meet the patients' medical needs.

3. Hospital Discharge Planners/Nurses/Case Workers

- Discharge planners are delaying release of patients from hospitals because they cannot match patients to contracted provider companies with the appropriate products such as wheelchairs, oxygen equipment and supplies and sleep therapy devices. Patients not receiving suitable products and services can result in lowered compliance rates and increased medical costs.
- Discharge planners only send patients to home medical equipment providers who hold contracts for multiple product categories. Companies that have received Medicare contracts for one or two product categories are not being contacted by discharge planners.
- Discharge planners often have to use providers that are further away or outside of a competitive bidding area, which delays hospital discharges.

4. Physicians

- Some physicians have not received any information on who to contact for needed products and services.
- Physicians are unable to prescribe the required products for their patients.
- Physicians do not have access to accustomed provider services for patient training purposes under bidding.

supplies I get from my doctor or hospital?

Am I affected if I'm in a Medicare Advantage Plan?

Do I have to change doctors?

What if I need a specific brand of item or supply?

What If I Travel To One Of The Areas Included In This Program And Need To Get Medical Equipment Or Supplies?

If I travel to one of the areas in this program, will I pay the same amount I pay at home?

How Does Medicare Pay For Equipment Or Supplies If I Have Other Insurance?

Where Can I Get More Information About The DMEPOS Competitive Bidding Program?

When are more areas of the country going to benefit from Medicare's Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program?

If I live in one of the 91 areas, when will I need to start getting my supplies from a Medicare contract supplier?

How do I know if my equipment or supplies will be included in the second round of the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program?

- Omaha-Council Bluffs, NE-IA
- Springfield, MA
- St. Louis, MO-IL
- Toledo, OH
- Wichita, KS
- Youngstown-Warren-Boardman, OH-PA

South

- Asheville, NC
- Atlanta-Sandy Springs-Marietta, GA
- Augusta-Richmond County, GA-SC
- Austin-Round Rock, TX
- Baltimore-Towson, MD
- Baton Rouge, LA
- Beaumont-Port Arthur, TX
- Birmingham-Hoover, AL
- Bradenton-Sarasota-Venice, FL
- Cape Coral-Fort Myers, FL
- Charleston-North Charleston, SC
- Chattanooga, TN-GA
- Columbia, SC
- Deltona-Daytona Beach-Ormond Beach, FL
- El Paso, TX
- Greensboro-High Point, NC
- Greenville-Mauldin-Easley, SC
- Houston-Sugar Land-Baytown, TX
- Jackson, MS
- Jacksonville, FL
- Knoxville, TN
- Lakeland, FL
- Little Rock-North Little Rock-Conway, AR
- Louisville/Jefferson County, KY-IN
- McAllen-Edinburg-Mission, TX
- Memphis, TN-MS-AR
- Nashville-Davidson--Murfreesboro--Franklin, TN
- New Orleans-Metairie-Kenner, LA
- Ocala, FL
- Oklahoma City, OK
- Palm Bay-Melbourne-Titusville, FL
- Raleigh-Cary, NC
- Richmond, VA
- San Antonio, TX
- Tampa-St. Petersburg-Clearwater, FL
- Tulsa, OK
- Virginia Beach-Norfolk-Newport News, VA-NC
- Washington-Arlington-Alexandria, DC-VA-MD-WV

Northeast

Supporting Information

[Print This Page](#)
[Close Window](#)
[Help](#)
[About the Directory](#)
[Competitive Bid](#)
[Resources](#)
[Glossary](#)
[Note for Suppliers](#)

Competitive Bid

I live in a competitive bidding area. Are the costs of my mail-order diabetic supplies changing?

I live in a competitive bidding area and have been getting my mail-order diabetic testing supplies from a Medicare contract supplier. Do I need to change suppliers?

What is the national mail-order program for diabetic testing supplies?

What you Need to Know about Medicare's Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program

What is the DMEPOS Competitive Bidding Program?

Who will be affected by this program, and in what areas?

After The Program Starts, Do I Have To Get Any New Supplies Or Equipment That I Need From A Medicare Contract Supplier?

Do I have to change suppliers if I am already renting equipment from a supplier that isn't a Medicare contract supplier?

What about medical equipment and

How do I know if I live in one of the 91 areas for the second round of the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program?

Round 2 will include the following areas:

West

- Albuquerque, NM
- Bakersfield, CA
- Boise City-Nampa, ID
- Colorado Springs, CO
- Denver-Aurora, CO
- Fresno, CA
- Honolulu, HI
- Las Vegas-Paradise, NV
- Los Angeles-Long Beach-Santa Ana, CA
- Oxnard-Thousand Oaks-Ventura, CA
- Phoenix-Mesa-Scottsdale, AZ
- Portland-Vancouver-Beaverton, OR-WA
- Sacramento--Arden-Arcade--Roseville, CA
- Salt Lake City, UT
- San Diego-Carlsbad-San Marcos, CA
- San Francisco-Oakland-Fremont, CA
- San Jose-Sunnyvale-Santa Clara, CA
- Seattle-Tacoma-Bellevue, WA
- Stockton, CA
- Tucson, AZ
- Visalia-Porterville, CA

Midwest

- Akron, OH
- Chicago-Naperville-Joliet, IL-IN-WI
- Columbus, OH
- Dayton, OH
- Detroit-Warren-Livonia, MI
- Flint, MI
- Grand Rapids-Wyoming, MI
- Huntington-Ashland, WV-KY-OH
- Indianapolis-Carmel, IN
- Milwaukee-Waukesha-West Allis, WI
- Minneapolis-St. Paul-Bloomington, MN-WI

How do I know if I live in one of the 91 areas for the second round of the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program?

- Albany-Schenectady-Troy, NY
- Allentown-Bethlehem-Easton, PA-NJ
- Boston-Cambridge-Quincy, MA-NH
- Bridgeport-Stamford-Norwalk, CT
- Buffalo-Niagara Falls, NY
- Hartford-West Hartford-East Hartford, CT
- New Haven-Milford, CT
- New York-Northern New Jersey-Long Island, NY-NJ-PA
- Philadelphia-Camden-Wilmington, PA-NJ-DE-MD
- Poughkeepsie-Newburgh-Middletown, NY
- Providence-New Bedford-Fall River, RI-MA
- Rochester, NY
- Scranton--Wilkes-Barre, PA
- Springfield, MA
- Syracuse, NY
- Worcester, MA



April 2, 2013

Ms. Tammy Crim
209 Westside Drive
Lexington, South Carolina 29072

Dear Ms. Crim:

The South Carolina Department of Health and Human Services (SCDHHS) is in receipt of your letter to Governor Nikki Haley concerning Centers for Medicare & Medicaid Services (CMS) Durable Medical Equipment, Prosthetics, Orthotics, and Supplier (DMEPOS) competitive bidding program. We welcome the opportunity to be of assistance.

This change to the CMS Medicare Durable Medical Equipment (DME) delivery system will impact those SCDHHS beneficiaries that are dually eligible and Qualified Medicare Beneficiaries (QMBs) with Medicare as primary. For claims associated with these beneficiaries, the contracted provider has accepted the rates as outlined during the contracting process. SCDHHS will continue to adjudicate claims for these beneficiaries in the current manner, which is to reimburse the patient responsibility (co-pay and deductible) for services rendered. The Fee for Service (FFS) program will continue to utilize the fee schedule that is now in place for the products in the eight categories that were included in CMS Round 2 contracting.

It is the intent of Medicare to improve the effectiveness of its methodology for setting DMEPOS payment amounts, which will reduce beneficiary out of pocket expenses and save the Medicare program money while ensuring beneficiary access to quality items and services. In South Carolina, the three regions affected by this change are Charleston/North Charleston, Columbia, and Greenville/Mauldin-Easley.

SCDHHS will continue to monitor this issue. If you have any additional questions, please feel free to contact Ms. Valeria Williams Director of Health Services, at (803) 898-3477.

Sincerely,



Melanie "BZ" Giese, RN
Deputy Director

MG/ajr

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Giese</i>	DATE <i>3-21-13</i>
--------------------	------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000292</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Host, Luech</i> <i>Gov # 307172</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>4-1-13</i>
	<input type="checkbox"/> FOIA DATE DUE _____
	<input type="checkbox"/> Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			

Jennifer Lynch

From: Peters, Hal <HalPeters@gov.sc.gov>
Sent: Monday, March 18, 2013 1:21 PM
To: Jennifer Lynch
Subject: HHS.PDF
Attachments: HHS.PDF

RECEIVED

MAR 18 2013

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Hey Jenny

Attached you will find correspondence we are referring to you. Their reference numbers are: 304367, 307172, 308134, and 309319.

If you could please respond to their concerns, I would appreciate it! Thanks Jenny!

Sincerely,

Hal Peters

Policy Analyst | Office of Governor Nikki R. Haley o 803.734.4062 e halpeters@gov.sc.gov

nhcorrespondence,

From: Office of the Governor Site Support <tcrim@mcscolumbia.com>
Sent: Monday, February 11, 2013 4:27 PM
To: Haley, Nikki
Subject: Competitive Bidding

RECEIVED

FEB 12 2013

referred to Pilets

answered _____

Title:
First Name: Tammy
Middle Initial:
Last Name: Crim
Suffix:
Street Address: 209 Westside Dr
Street Address 2:
City: Lexington
State: SC
Zip: 29072
Phone: 803-429-2594

HHS

Email: tcrim@mcscolumbia.com

Affiliation: Constituent
Message:
Tammy Crim
209 Westside Dr
Lexington, SC 29072-2320

February 11, 2013

The Honorable Nikki R. Haley
Governor of South Carolina
1205 Pendleton Street
Columbia, SC 29201

Call

307172

Governor Haley:

 No BUSINESS! Not Apple! Not Exxon! Not GE! No Business can survive a 45% decrease in their selling price for their products.

Yet you seem willing to allow CMS to use a totally non-transparent(so much for President Obama's transarency speech) unprecedented and NEVER before used "bidding systems" to decrease the allowable for Durable Medical Equipment by an average of 45%-72% for diabetic supplies.

I challenge you, anyone on your staff or anyone at CMS to show me a 17 year Durable Medical Equipment employee how it is possible to provide a Medicare beneficiary a CPAP(a sleep apnea device) and receive a \$475 over a 13 month period to cover the cost of a registered respiratory therapist spending at least 4 hours with the patient/prescribing physician, the cost of monitoring and proving compliance, the cost of gathering the necessary billing documentation and the cost of purchasing the CPAP. I have been in the home medical equipment business for 30 years. It is impossible to do what I just explained is necessary if you --our representatives do not call CMS into account.

STOP THE ROUND 2 DME COMPETITIVE BID debacle before thousands of DME businesses are forced to shut down and literally millions of Medicare patients are given both inferior equipment and non-professional service.

If you think it is possible to provide that CPAP and service it at the \$475 price set by CMS DME Competitive bid Round 2, I will be glad to come to your office for you to show me how.

Sincerely,

Tammy Crim
803-429-2594

Tammy Crim sent this message via Congress.org, which uses the Capwiz XC system. Congress.org is a free public service of CQ Roll Call.