

**An Important Message from Medicare:**

Medicare will soon be implementing a new program that may change the way your Medicare patients get certain medical equipment and supplies such as walkers, power wheelchairs, and oxygen or oxygen equipment. Under the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program, beneficiaries who permanently reside in designated competitive bidding areas (CBAs) are required to obtain competitive bidding items from a contract supplier, unless an exception applies. It is necessary for referral agents, such as Medicare Fee-for-Service providers who prescribe DMEPOS for Medicare beneficiaries or refer beneficiaries to specific suppliers, also to be informed about how this program will affect their Medicare patients.

We are sending you this letter because, as a referral agent with a practice location in a CBA, you play a critical role in helping your Medicare patients select DMEPOS suppliers that can meet their needs and meet the requirements of the program. A beneficiary's first contact with the program may be at the point when you hand him or her a prescription or refer him or her to a Medicare contract supplier. If the beneficiary **resides in a CBA or is visiting a CBA in which he or she needs to obtain a DMEPOS competitive bid item**, you may need to direct him or her to a contract supplier.

The first phase of the new program begins on **July 1, 2008**. To assist you in preparing for this date, we have enclosed the following:

1. The Medicare Learning Network "Tip Sheet for Referral Agents" publication that further describes your role as a Referral Agent in this new program;
2. A list of Medicare DMEPOS Competitive Bidding Program contract suppliers in the CBA in which your practice is located; and
3. A flyer with information on how to obtain a CMS brochure developed for beneficiaries entitled, "Durable Medical Equipment and Supplies," which has been distributed to beneficiaries who permanently reside in CBAs.

In addition to receiving the brochure mentioned above, Medicare beneficiaries who may be affected by this program were also sent a listing of contract suppliers in their CBA.

Please be aware that the enclosed list of Medicare-contract suppliers may be updated with additional contract suppliers and additional or changed locations. Therefore CMS is developing an on-line contract supplier "locator tool" that will contain up-to-date information on Medicare-contract suppliers in your area. Once available, CMS will broadly announce the contract supplier locator tool. This information, as well as the most current news, educational products, and announcements regarding the DMEPOS Competitive Bidding Program can be found on the dedicated DMEPOS Competitive Bidding Program provider website at www.cms.hhs.gov/DMEPOSCompetitiveBid/.