Maintaining Success: DMEPOS Industry Update and Panel Discussion
WHO WE ARE

Breg helps simplify and elevate orthopedic patient care by delivering high quality products and comprehensive partnerships.
WHAT WE DO

Identify **custom tailored solutions** to fit your unique workflows that drive increased revenue and savings around DMEPOS.
BREG IMPACT

A combination of our expert, clinically trained consultant team and our integrated workflow software to deliver a customized, proven DMEPOS/bracing program designed specifically for you.

Options include:

1. In house DMEPOS/bracing program for revenue generation and continuity of care
2. Outsourced inventory DMEPOS/bracing program for cost reduction
3. Hybrid approach combining both options

• In 2014, four AOC groups utilized Breg Impact. This year we will have 17 active programs and 20 in evaluation.
SERVICE LINE OPPORTUNITIES FOR ACADEMIC HEALTH SYSTEMS

Business Models

Provider Office
Unregulated/1500

Facility: ED/ UC
Regulated/UB04

Facility: Inpatient
DRG / Global Fee

Revenue Generation
Cost Reduction
Cost Savings
INDUSTRY UPDATE: COMPETITIVE BIDDING
CMS.gov definition

The Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program was established by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). Under the DMEPOS Competitive Bidding Program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas (CBAs). The statute requires that single payment amounts (SPAs) replace the current Medicare DMEPOS fee schedule payment amounts for selected DMEPOS items in certain areas of the country. The SPAs are determined by using bids submitted by DMEPOS suppliers.”

Layman’s terms

CMS is requiring suppliers to compete for Medicare contracts by submitting proposed pricing for certain products in specific regions. The new pricing and contracts will go into effect on January 1, 2021. Right now, any supplier is allowed to bill Medicare based on CMS’s DMEPOS fee schedule. That practice will continue until the new contracts are in place.

Physicians are exempt from the bidding process.
There are 16 categories subject to Competitive Bidding in Round 2021. Only three are relevant to the product used in Ortho practices: off-the-shelf knee braces, off-the-shelf back braces, and walkers.

- **OTS Spinal Orthosis Codes:**
  - Lead Item: L0650
  - Other Codes: L0450, L0455, L0457, L0467, L0469, L0621, L0623, L0625, L0628, L0641, L0642, L0643, L0648, L0649, L0651

- **OTS Knee Orthosis Codes:**
  - Lead Item: L1833
  - Other Codes: L1812, L1830, L1836, L1850, L1851, L1852

- **Walkers:**
  - Lead Item: E0143
  - Other Codes: E0130, E0135, E0140, E0141, E0144, E0147, E0148, E0149

*** This process only affects prefabricated off-the-shelf fitted products. It does not impact prefabricated custom fitted products.
TIMELINE AND OTHER IMPORTANT INFO

• **Timeline:**
  - **3/7/2019**: The Centers for Medicare & Medicaid Services (CMS) announces the pre-bidding supplier awareness program
  - **7/16/2019**: Bid window opens
  - **9/18/2019**: Bid window closes
  - **Summer 2020**: CMS announces single payment amounts and begins contracting process
  - **Fall 2020**: CMS announces contract suppliers
  - **1/1/2021**: Implementation of Round 2021 contracts and prices

• **Physicians are exempt from the bidding process.**

• **They will, however, be held to the resulting Single Payment Amount (SPA) in each CBA.**

• **Custom Fit opportunity with no fee schedule reduction (do the work and document)**

• **Find out the latest information directly from CMS**
PANEL DISCUSSION
PANEL MEMBERS

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DMEPOS Model: SNB -> Practice Owned

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Department of Orthopaedics
University of North Carolina
DMEPOS Model: SNB -> Practice Owned

Ann Juengermann, MBA, CPC
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DMEPOS Model: SNB -> Practice Owned

Tommy Middleton
Department Business Administrator
Orthopaedic Surgery and Rehabilitation
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DMEPOS Model: Expense -> Practice Owned

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Nursing Administrator/Clinical Operations
Washington University Orthopedics/Chesterfield
DMEPOS Model: SNB -> MSA -> Practice Owned
WHAT DO YOU MEAN BY LEAD ITEM?

• Within each category, CMS has selected a “lead item” that represents the highest total allowable reimbursement by Medicare.
• The supplier’s bid for the lead item represents the supplier’s bid for furnishing the lead item and all other items in the product category
• Bids for the lead item will be used to calculate the single payment amounts (SPAs) for all of the items within that product category through relative ratio.

\[
\text{Relative Ratio} = \frac{\text{Average of the historic unadjusted fee schedule amount for the non-lead item HCPCS code}}{\text{Average of the historic unadjusted fee schedule amount for the lead item HCPCS code}}
\]

Example:
- LYYYY unadjusted fee schedule average: $100
- LXXXX unadjusted fee schedule average: $500

\[
\frac{100}{500} = \text{Relative Ratio for LYYYY: .2}
\]

Lead item pricing calculator: https://dmecompetitivebid.com/leaditempricingcalculator
HOW DOES THE PROCESS WORK?

1. Suppliers submit bids (pricing) on a lead item in each category.
2. The bidder can opt to be considered in any or all of the 130 competitive bidding areas (CBAs).
3. Medicare will choose winning suppliers by starting at the lowest bid from qualifying submitters and selecting up the chain until capacity within each region has been fulfilled.
   - Capacity for each CBA is predetermined by CMS.
4. Pricing will then be set at the highest bid accepted in each product category in each CBA.
5. Once the rate is set, it is in effect for three years (beginning January 1, 2021). The existing fee schedule will be replaced by SPAs at that time.
WHAT IS THE TIMELINE?

• **3/7/2019**: The Centers for Medicare & Medicaid Services (CMS) announces the pre-bidding supplier awareness program
• **5/7/2019**: CMS announces bidding timeline and begins bidder education program
• **7/16/2019**: Bid window opens
• **9/18/2019**: Bid window closes
• **Fall 2019**: Preliminary bid evaluation notification
• **Summer 2020**: CMS announces single payment amounts and begins contracting process
• **Fall 2020**: CMS announces contract suppliers
• **1/1/2021**: Implementation of Round 2021 contracts and prices

CONNECTED WORKFLOW

Patient signs POD on IPAD completing clean claim components

Account bills insurance

Re-order supplies

Inventory is tied directly to a specific dispensement and therefore better managed. This will result in less shrink

MD RX, automated through EMR with medical necessity documentation

DWO is created electronically either in the EMR or through Breg Vision and automatically sends to billing

Apply/fit product

MD RX, automated through EMR with medical necessity documentation