

From: Karl Polzer
Sent: Wednesday, June 19, 2013 10:28 AM
To: Karl Polzer
Cc: NCAL Staff
Subject: Medicare Begins National Mail Order for Diabetic Testing Supplies

To: State Execs, State AL Staff, NCAL Board, NCAL State Leaders, NCAL Past Chairs

On July 1, 2013, the Centers for Medicare & Medicaid Services (CMS) is implementing a new National Mail-Order Program for Medicare diabetic supplies such as blood glucose testing strips, lancets, and replacements batteries for blood glucose monitors. Under the new nationwide system, rather having an approved amount of \$78 for 100 test strips and lancets, Medicare's approved amount will be about \$22 – and beneficiary co-pays will drop from about \$15 to under \$5. To save money under the new system, beneficiaries need to use a Medicare national mail-order contract supplier. The national suppliers can be found by going to www.medicare.gov/supplierdirectory/search.html, and then entering the relevant zip code.

Beneficiaries or their representatives can still go to any local pharmacy or store enrolled with Medicare and buy supplies there. Under the new system, however, local pharmacies may not deliver these supplies. The change in diabetic testing supplies is part of Medicare's new Durable Medical Equipment Competitive Bidding Program, which also caused costs and co-insurance to decrease.

Going forward, national mail-order contract suppliers can't charge residents more than any unmet deductible and 20 percent coinsurance. Local stores accepting Medicare also can't charge more than the deductible and 20 percent coinsurance. If a local store does not accept Medicare, however, it may charge more for those supplies.

During the past several weeks, assisted living communities have been receiving letters from national suppliers and local pharmacies informing them about the new system. NCAL is gathering member questions to discuss with CMS officials and will be providing additional information.

CMS information about the mail order program can be found at:

<http://cms.hhs.gov/Outreach-and-Education/Outreach/Partnerships/Downloads/DMEPOSbeneFactSheetNatMailOrderProgApril201311634.pdf>

<http://cms.hhs.gov/Outreach-and-Education/Outreach/Partnerships/Downloads/CBNMOArticleMay2013.pdf>

<http://cms.hhs.gov/Outreach-and-Education/Outreach/Partnerships/Downloads/DMEPOSbeneLetterNtlMailOrderProgMay2013.pdf>

June 20, 2013

CMS Responses to Questions from the National Center for Assisted Living about the New National Mail Order Program for Diabetic Testing Supplies:

(Answers from CMS Division of DMEPOS Competitive Bidding are in red)

Exactly what types of diabetic supplies are included in the new mail order program?

Supplies necessary for the effective use of a covered home blood glucose monitor, including test strips, lancets, lancet devices, calibration solution/chips, and batteries.

Are syringes included in the program?

No.

Does the mail order program apply to residents of nursing homes?

No. The statute prohibits separate payment for DME furnished in nursing homes.

Do beneficiaries need a doctor's order to get the supplies?

A physician's order, at a minimum, is required for all DME items in order to determine if they are medically necessary and can be covered.

How frequently?

Only when the supplies are initially furnished, the beneficiary changes from one supplier to another, or there is a change in the patient's condition or physician order.

Does CMS require the mail order programs to supply retractable lancets for beneficiaries who rely on others for their diabetic care such as assisted living and home care?

The same coverage rules in place prior to implementation of a competitive bidding program remain in place during a competitive bidding program. The competitive bidding programs do not impact any Medicare coverage requirements. The DMEPOS supplier standards require that all suppliers must be in compliance with all State and Federal regulations and licensing requirements.

- **If so, can we get that in writing and include a process if the mail order suppliers don't comply.**
- **If not, they need to understand that failure to supply retractable syringes may violate OSHA requirements and may jeopardize worker safety. If so, how can this be fixed?**

Suppliers in violation of supplier standards would be investigated by the National Supplier Clearinghouse, a Medicare contractor, and could be excluded from the program.

Would it be possible for a pharmacy to deliver supplies to assisted living facilities in cases where a resident is transitioning into a facility or needs supplies on an emergency basis (e.g., strips were contaminated and no staff are available to go to a pharmacy)?

The staff of the facility, the beneficiary, or a caregiver can contact a contract supplier and the contract supplier can make arrangements for the emergency delivery. A non-contract supplier cannot deliver the supplies and be paid.

What will be the billing process if a resident runs out of testing strips or if they are sent the wrong strips?

Supplies are shipped in 3-month installments. The beneficiary or caregiver should notify the supplier if they are running low before they get to the point where replacement supplies could not be delivered in a timely fashion. If they are sent the wrong strips, they should contact the supplier and the supplier will deliver the replacement supplies immediately.

How are “STAT” orders handled?

I believe this was addressed in response to other questions.

Provider and beneficiary understanding is very low about the new program. Can CMS delay the implementation date, or the enforcement date for pharmacies not being able to deliver, in order to give beneficiaries enough time to comply and get what they need?

CMS has conducted an extensive educational campaign, as you can see from the all of the materials recently sent to you. The program is scheduled to begin on July 1, 2013.

- **There are concerns that facility residents can't get doctor's orders and meet requirements by the deadline, particularly with the July 4 holiday coming up.**

New written orders are needed anytime a beneficiary changes suppliers. This is not unique to competitive bidding. The program integrity manual and bulletins issued by the Durable Medical Equipment Medicare Administrative Contractors have provided extensive details on what constitutes a valid order.

According to an assisted living provider in Iowa, the direction most pharmacies have decided to go is to have a third party manage the diabetic supplies. This will cause supplies to come from a new and different source. As a result, they are being told there will also be a delay in the time between re-ordering the product and receiving it via the mail. Our members are concerned about potential for medical errors. What should a facility do if the resident does not get supplies?

Call the supplier. This is not unique to competitive bidding. Supplies can be delivered up to 10 days in advance of the next 3-month supply cycle.

How much time does the mail order have to get orders to the beneficiary?

The Medicare DMEPOS quality standards require suppliers to deliver all DME items in a timely manner as agreed upon by the beneficiary and/or caregiver, supplier, and prescribing physician.

One concern that was raised from a provider in Wisconsin was that one of the largest mail order providers did not carry the “ulticare” units or safety lancets that a facility’s residents require. How do they deal with that issue?

In accordance with the physician authorization process, if the physician prescribes a specific brand or mode of delivery to avoid an adverse health outcome, the contract supplier must either furnish that brand or mode of delivery, find another contract supplier that is willing to furnish that brand or mode of delivery, or consult the physician to see if there is an acceptable alternative brand or mode of delivery they can furnish.