



# Special Alert

November 17, 2000

## **DMEPOS Competitive Bidding Demonstration Allowances Released**

The new competitive bidding demonstration allowances for San Antonio were released today by the Health Care Financing Administration (HCFA). The demonstration fee schedule is effective February 1, 2001 and will last until December 31, 2002. HCFA estimates that the bidding project will save Medicare 20%. This second demonstration covers three Texas counties – Bexar, Comal and Guadalupe. The five categories of products in the San Antonio demonstration are oxygen supplies, hospital beds, manual wheelchairs, certain orthotic devices and nebulizer drugs.

The bid allowances for San Antonio are generally higher than those in Polk County. For instance, the savings estimated by HCFA for oxygen supplies is 17% and for hospital beds is 25%. Comparatively, in Polk County, savings for oxygen supplies were estimated at 18% and hospital beds at 30%. Wheelchair allowances, which were not included in the Polk County demonstration, are on an average 25% lower than the Medicare fee schedule. In addition, the allowances for respiratory medication has been decreased from the Polk County demonstration. The following are some examples of the differences between San Antonio and Polk County.

<b>HCPCS CODE</b>	<b>POLK COUNTY / Maximum Demonstration Allowance</b>	<b>SAN ANTONIO / Maximum Demonstration Allowance</b>
E0424RR	\$181.59	\$190.47
E0250RRKH	\$ 62.58	\$ 73.06
E0260RRKH	\$ 95.66	\$119.26
J7619K0	\$ .32	\$ .47

AAHomecare opposes the competitive bidding process because it restricts beneficiary access and choice and impairs quality. The ability to freely choose a health care provider is the lynchpin to assuring quality health care.