

## **INSTRUCTIONS FOR COMPLETING REQUEST FOR BIDS (RFB) FOR MEDICARE DMEPOS COMPETITIVE BIDDING PROGRAM**

### **Eligibility and Submission Requirements**

All suppliers must be in good standing and have an active National Supplier Clearinghouse number (NSC#), meet any local or state licensure requirements for the item being bid, and be accredited by a Centers for Medicare and Medicaid Services (CMS) approved accreditation organization (or be pending accreditation) to be eligible to bid.

Each bidder must complete its bid online using the information collected on the Office of Management and Budget (OMB) approved forms (Form 10169A – Application; Form 10169B – Bidding Sheet) and due by midnight on \_\_\_\_\_. (Hardcopy bid submission is available to those suppliers without access to a computerized system by calling the Competitive Bidding Implementation Contractor (CBIC) on \_\_\_\_).

### **REQUEST FOR BID FORMS**

#### **Form A**

Form A needs to be completed for each Competitive Bidding Area (CBA). It requests general information about an individual supplier with a single location, suppliers with common ownership and multiple locations, or networks, as well as financial information. A separate Form A, as well as separate financial statements for each entity, must be submitted every time a supplier submits a bid as a different bidder or entity. For example, if a supplier is bidding as an individual company and also as the primary supplier with a network, it will have to submit a separate Form A with each bid. If a supplier has multiple locations within the CBA, the supplier must complete all required information on Form A for each location. If a network is bidding, the primary supplier must complete and submit Form A for every member of the network for each location and they must complete all location specific questions for each location in the CBA. Location specific questions are the following H, I, J, K, L, M, N and O. If a supplier needs to resubmit a document, the entire package needs to be resubmitted.

## **Form B**

Form B is bidding sheets for each product category on which bidders should record their bid prices and estimated capacity for designated products and other product-category and item specific information.

### **Bidding Process**

All information captured on the electronic bid forms is the same as the information outlined in the OMB approved Application and Bidding Forms. (Hardcopy applications are acceptable in those rare instances where a computerized system is unavailable. Hardcopy documents can be obtained by calling the CBIC at \_\_\_\_\_.) Electronic and hard copy forms must be submitted by midnight on\_\_\_\_\_.

The CBIC will notify suppliers once their bids have been received.

(1) The CBIC will notify suppliers via an email for electronic submission (or in the case of hardcopy submissions by letter) that it has received their bids and that the bidding forms are complete. The electronic bidding system will not allow for certification and submission of bids if there is missing information.

(2) CMS reserves the right to request clarification or corrections to a submitted application.

(3) Suppliers who submit their bids electronically will be able to access the status of their bids at any time during the registration period and during the bidding period after they have received a user ID and password. The system will remain open for at least 15 days after the bidding window ends to allow suppliers to verify receipt of hardcopy documents by the CBIC.

(4) Beginning 10 business days before the bidding window ends, suppliers will be notified if there are any missing hardcopy attachments.

(5) The system will have an edit that will not allow suppliers to bid unless supplier accreditation status is pending or complete. The accreditation organization must be approved by CMS. CMS cannot contract with suppliers who are not accredited by a CMS-approved accreditation organization.

(6) A different bidder number will be assigned whenever a supplier submits a bid as a different entity. (For example, if a supplier bids as a network for one product category and bids as an individual for another product category, the same supplier will receive two different bidder numbers.)

The bidding window will be open for 60 days. Bids can be submitted 24 hours a day 7 days a week during this time period. However, there may be a few times when the system is unavailable for maintenance. Every opportunity will be provided to notify suppliers in advance when the website will not be available. Once the bidding window ends, all bids are considered final and cannot be amended by the supplier. However, CMS may seek clarification from a supplier about elements of a bid. CMS will not share information about any supplier's proposal with other suppliers.

### **Process for Submission of Required Documents**

All hardcopy documents required as attachments to the electronic bid submission must be sent to the CBIC as one complete package. Each document must identify the supplier's bidder number to ensure that this information is placed with the correct application. We strongly recommend that the package be sent to the CBIC using a method that can be tracked (e.g., certified mail) at the following address: \_\_\_\_\_ . Irrespective of whether the bid is submitted electronically or by mail, the supplier must sign the certification statement identified on the application and submit that with the hardcopy financial documents. All documents must be postmarked no later than midnight of \_\_\_\_\_ .

### **Process for Changing Bid Submission**

Bidders have 60 days to submit bids. Bidders will be permitted to amend their bids as many times as they deem necessary prior to the 60-day deadline for submitting bids. Once the bid submission deadline has passed, no further amendments to the bids will be permitted.

A change in any of the hard copy attachments to the electronic or hard copy bid submission necessitates submission of a complete package of new documents in order for the bid to be considered. The revised package must be post marked by midnight on \_\_\_\_\_ .

### **Basic Bidding Rules:**

1. CMS will not allow more than one bid per item in a product category from a supplier.
2. Suppliers that share common ownership, as will be defined in the Medicare DMEPOS Competitive Bidding Final Rule, can only submit one bid.
3. Network member suppliers will not be allowed to bid separately from their network for the same product

category in the same CBA. Network members can only join one network per product category per CBA.

4. Network members and suppliers with multiple locations who share common ownership must bid on the same product categories within the CBA.
5. Bids must include the cost of furnishing the item throughout the geographic area that makes up the CBA, except for entities that are eligible for limited participation in the Competitive Bidding Program, as defined in the Medicare Competitive Bidding Final Rule.
6. Furnishing the item includes the cost of providing the item and any requisite services directly associated with the item, such as proper beneficiary and caregiver training and follow-up, manufacturer's shipping charges, maintaining rented equipment in proper order, education, delivery, set-up and retrieval.
7. The bidding form will identify if a product will be paid on either a rental or purchase basis and whether the bid should represent a purchase or rental amount.
8. The RFB form requires suppliers to identify the item for which they are bidding by Manufacturer, Model Name and Number. We recognize that suppliers may change models in later periods of the bidding cycle.

In addition to the electronic and hard copy Request for Bid forms that must be completed, the following is a checklist of documents that must be submitted in hardcopy to the CBIC:

- Certification Statement signed by the authorized official.
- Supplier Financial Statements.
- Supplier's Credit Report and Score.
- Signed Legal Contracts between all network members, if applicable.

- Signed Letters of Intent to Enter into an Agreement if supplier plans to expand its capacity through the use of subcontractors.
- Settlement Agreement and Corporate Integrity Agreement, if applicable.
- Copy of Accreditation Organization's Certificate of Accreditation, if available.

The signed Letters of Intent to Enter into an Agreement must include the following information:

- Clear identification of the parties.
- Description of the functions/services to be performed by the subcontractor.
- Language clearly indicating that the subcontractor has agreed to supply items/functions/services.
- Anticipated length of agreement.
- Signature of an authorized official of each party.
- Language obligating the subcontractor to abide by State and Federal privacy and security requirements, including the privacy provisions stated in the regulation for this program.

### **Confidentiality**

CMS will maintain the confidentiality of proprietary and financial information provided when a bidder submits its bid(s). CMS will protect this information to the extent provided by law and will follow the procedure stated in Title 45 CFR 5.65. However, an independent evaluator will be granted access to suppliers' or networks' bidding information. Any reports that are done to evaluate the program will be reported in an anonymous or aggregate format. Bidding information may be reviewed for evaluation purposes by the US Government Accountability Office (GAO) and the Office of Inspector General (OIG). CMS will request that the GAO and OIG report bidding information in an anonymous or aggregate format.

Contractor staff with access to bid information will be required to sign a statement agreeing to maintain the confidentiality of each bidder's information.

**Form A: Application**

All Suppliers must complete Item #1. A separate Form A must be submitted every time a supplier submits a bid as a different bidder or entity. However, a separate Form A will not be required when the same supplier submits separate bids for different product categories within the same CBA. For example, if a supplier is bidding as an individual company and as the primary supplier with a network, it will have to submit a separate Form A with each bid because it is considered a different bidder or entity. The primary supplier must complete and submit Form A for all members of the network per location. If a supplier has multiple locations with common ownership in the CBA, location specific information must be provided for each location within the CBA.

**Type of Supplier:** Supplier must indicate what type of supplier it is (supplier can choose only one):

Individual Supplier with a Single Location \_\_\_\_\_

Supplier with Common Ownership and Multiple Locations \_\_\_\_\_

Primary Network Supplier\_\_\_\_\_

**Specialty Supplier:**

Supplier must indicate if it is bidding as a specialty supplier.  
(A specialty supplier is an entity that is eligible for limited participation in the Competitive Bidding Program, as defined in the Medicare DMEPOS Competitive Bidding Final Rule.)

**Competitive Bid Area**

The Competitive Bidding Areas have been identified by the CBIC by counties and zip codes at [www.\\_\\_\\_\\_\\_](http://www._____).

**Product Category** – Select each product category for which the supplier or network is submitting a bid.

**Item 1 Supplier’s Identifying Information**

- A. Legal Business Name, Mailing Address, Telephone Number, Email and Fax No. -Indicate the supplier’s legal business name and mailing address. This is the name that is reported to the Internal Revenue Service (IRS) for tax reporting purposes.

The supplier must provide an address where it can be directly contacted by CMS or the CBIC. This address will be used to send the supplier information concerning the Medicare Program. This address cannot be that of a billing agency, management service organization or staffing company.

Provide the business telephone number of the supplier. This is the telephone number at which the supplier can be contacted by CMS or the CBIC. This must be the telephone number at which beneficiaries can contact the supplier directly. Telephone numbers must include area codes and be entered (XXX) XXX-XXXX. Provide the e-mail address of the contact person. Provide the supplier's fax number. Fax numbers must include area codes and be entered (XXX) XXX-XXXX.

- B. Supplier's Business Information - Indicate the length of time the supplier completing this form has been supplying DMEPOS items in the CBA. Provide information in total number of years and months.
- C. Supplier's Primary Physical Address – Indicate the supplier's complete primary physical address if it is not the same as the mailing address,
- D. Tax Identification Number - Indicate the Tax Identification Number issued by the IRS for the supplier completing this form. This is the number issued by the IRS and used to report tax information to the IRS. If a sole proprietor, Social Security Number may be used.
- E. NSC/NPI Number - Provide the supplier's NSC number. The NSC number is the National Supplier Clearinghouse number. It is the ten digit number that is required to bill Medicare for DMEPOS transactions. The NSC number must be specific to the particular location submitting the bid – it should not be the corporate number. Suppliers with multiple locations that share common ownership must list their NSC numbers for all locations within the CBA. Provide supplier's NPI #.

- F. Service Type - Indicate the methods the supplier will use to provide items and services to beneficiaries in a CBA. Check all boxes that apply: Retail Location, Mail Order, Home Delivery.
- G. Doing Business As - Indicate the “doing business as” (DBA) name if different from the legal business name reported in A for this business location. The “doing business as” name is the name the supplier is generally known by to the public.
- H. Additional Physical Locations - Indicate all physical addresses of the supplier within the CBA. Information must be provided on all locations for which there is common ownership located within the CBA. Post office boxes and drop boxes are not acceptable for physical addresses. The physical address(s) must be the actual address(s) where the supplier conducts business with its customers. Address(s) must be the address(s) where beneficiaries can contact the supplier directly. Please use only two-letter postal abbreviations. Zip code and telephone number (with area code) must be included.
- I. Accreditation Information for Locations Serving this CBA - Indicate the name(s) of the Medicare-approved accreditation organization that has accredited the supplier, or from which the supplier has applied for accreditation, and provide the accreditation issue and expiration dates (or expected issue and expiration dates). Indicate product specific area (s) in which the supplier is accredited (i.e., oxygen, general DME). Each location in the CBA that shares common ownership and each member of the network must verify that it is accredited.
- J. Type of Business - Select the supplier’s type of business. Please select only one response. If “Other” is selected, briefly describe the supplier’s type of business. Check all that apply.



A business corporation is a commercial enterprise or establishment comprised of many employees and is legally recognized as a separate entity.

A general partnership is a contract entered into by two or more persons in which each agrees to furnish either a part of the capital or labor for a business enterprise and by which each shares in a proportion of profits and losses.

A joint venture is a business that is co-owned by another individual, organization or business.

A sole proprietorship is an unincorporated business that is owned by one individual.

A professional corporation is a commercial enterprise or establishment engaged in a specific activity or area of expertise comprised of one or more employees who are educated in the specific activity or area of expertise. A professional corporation is legally recognized as a separate entity.

A franchise is a form of business organization in which a firm which already has a successful product or service enters into a continuing contractual relationship with other businesses (franchisees) operating under the franchisor's trade name and usually with the franchisor's guidance.

A publicly traded company is a company which has issued securities through an offering and which are now traded on the open market.

- K Establishment Information - Indicate the two-letter postal abbreviation for the state in which the supplier is established or incorporated. Indicate the date the supplier was established or incorporated. Dates should be entered MM/DD/YYYY. If supplier was incorporated at a previous time in another state, please indicate.
- L. Contact Person – Provide the name(s), title, telephone number and e-mail address of the

authorized person (s) who should be contacted to answer questions regarding the supplier's bid.

#### M. Financial Information

The following information must be submitted:

Suppliers that submit individual tax returns that include business taxes are required to submit the Schedule C (the profit and loss statement) from their 1040 Tax Return for the past 3 years. In addition to the tax return information, these suppliers are also required to submit a compiled balance sheet (Statement of financial position), a statement of cash flow (Statement of changes in Financial Position), and a statement of operations (Income statement) for the past 3 years. The supplier is also required to submit a copy of its current credit report, which must have been completed within 90 days prior to the date on which the supplier submits its bid. The credit report must be prepared by one of the following: Experian, Equifax or TransUnion.

Suppliers that submit corporate tax returns are required to submit the Schedule L (the balance sheet) from their tax return for the past 3 years. In addition to the tax return information, these suppliers are also required to submit a statement of cash flow (Statement of Changes in Financial Position), a statement of operations (Income Statement) for the past 3 years. The supplier is also required to submit a copy of its current credit report which must have been completed within 90 days prior to the date on which the supplier submits its bid. The credit report must be prepared by one of the following: Experian, Equifax or TransUnion.

All documents that are not prepared as part of a tax return must be certified as accurate by the supplier and must be prepared on an accrual or cash basis of accounting.

Suppliers that are publicly traded companies must submit a copy of their 10-K Filing Reports with the Securities Exchange Commission.

New suppliers are required to submit projected financial statements to substitute for any year for which they do not have past financial information because they were not in business as a DMEPOS supplier.

For networks, the Primary Supplier must submit to the CBIC the certified financial statement of each network member, and all hard copy documents in one complete package.

If a supplier is submitting bids as more than one type of entity, (e.g., as a network and also as an individual supplier) separate financial statements must be submitted for every bidder number.

#### N. Sanctions

The bidding supplier must disclose information about any current or past (within the last five years), sanctions, or debarments for which they were involved. If applicable, settlement agreements, or corporate integrity agreements must be submitted. Sanctions include, but are not limited to, debarment from any Federal program, sanctions issued by the Office of the Inspector General (OIG), or sanctions issued at the State or local level. This includes any actions taken against any member of the board of directors, chief corporate officers, high-level employees, affiliated companies, network members or subcontractors. Please provide additional information regarding any previous or current sanctions.

#### O. Key Personnel

A listing of names and titles of the key personnel of the corporate office. The key personnel include such staff as officers, partners, directors, managing employees or members of the board of directors.

#### P. Additional Information (Optional)

This space is provided for suppliers to explain their answers if additional room is required to respond to questions on Section A. Please mark these explanations with the appropriate item letter and/or number(s) to avoid confusion.

#### **Item 2-- Application for Networks**

The Primary Supplier must complete Form A (Items 1 and Item 2) for each member of the network. A network may submit bids for multiple product categories. Only one bid for each item in a product category will be accepted from a network. Network member suppliers will not be allowed to bid separately from their network for the same product category within the same CBA. Member suppliers will not be allowed to join more than one network for the same product category within the same CBA. Networks must have signed legal contracts in place before the network can submit a bid. The Primary Supplier must submit to the CBIC the certification statements, and all hard copy documents for each network member in one package. The Primary Supplier must submit all financial documentation required of the primary member, for each network member, including a copy of a current credit report which must have been completed within 90 days prior to the date on which the supplier submits its bid. The credit report

must be provided by one of the following credit bureaus: Experian, Equifax or TransUnion.

- A. NSC Number/NPI Number -The NSC and NPI Identification Numbers of the primary supplier in the network must be provided. The primary supplier will submit claims, bill Medicare and receive reimbursement on behalf of all the network's members. The NSC number(s) must be specific to the bidder's location – not the corporate number. Provide the NPI number.
- B. Primary Supplier's Legal Business Name - Provide the legal business name of the primary supplier. The primary supplier's legal business name is the name that is reported to the Internal Revenue Service (IRS) for tax purposes.
- C. Network Member's Name, NSC and NPI Number - Each member of the network must be identified. Provide each member's legal business name and NSC and NPI identification numbers. A supplier's legal business name is the name that is reported to the Internal Revenue Service (IRS) for tax reporting services. The NSC number (s) must be specific to the bidder's location – not the corporate number. Provide the NPI number.
- D. Signed Legal Contracts - Signed, legal contracts between all network members must be attached. If signed, legal contracts are not attached, CMS cannot accept the bid.

**Form B: – INDIVIDUAL FORM MUST BE COMPLETED FOR EACH PRODUCT CATEGORY. PLEASE LIST PRODUCT CATEGORY.**

Indicate the Supplier's Legal Business Name and Bidder Number at the top of each page. If this is a Network bid, indicate the Primary Supplier's Legal Business Name and Bidder Number.

1) Indicate the total revenue collected for this product category, in the CBA by the supplier during the last calendar year. For suppliers with multiple locations that share common ownership, provide total revenue for all locations. For networks provide total revenue for all member suppliers. Also indicate the percentage of the total revenue in this product category that was collected from Medicare. Estimates are acceptable.

2) Indicate the total number of customers in the CBA for whom the supplier provided or serviced this product category during the past calendar year. For suppliers with multiple locations that share common ownership provide total revenue for all locations. For networks, provide total revenue for all members. Also indicate the percentage of customers for this product category which were Medicare beneficiaries. Estimates are acceptable.

3) Indicate the counties within this CBA in which you, as a supplier, are currently serving customers for this product category. (If supplier does not serve an entire county, please indicate the zip codes supplier currently does not serve in these counties for this product category.) Servicing a customer refers to delivery of an item and service within this product category that supplier provided that resulted in payment to you for that item and service.

Indicate what percentage of the total geographic area in these counties supplier currently serves Medicare beneficiaries.

4) The codes listed are the HCPCS codes, based on CMS data, that are the top three codes in terms of volume for this product category. Please list by HCPCS code, the number of units provided to total customers during the last calendar year in this CBA. Please also list by HCPCS code, the number of units provided to Medicare beneficiaries during the last calendar year in this CBA.

5a) Indicate the percentage increase in volume supplier or network would be capable of providing for that product category. This increase should represent the aggregate amount applicable for all codes in the product category during a 12 month period. (It is not necessary for one supplier to meet 100% of the demand for an area.)

5b) If supplier or network plans to expand, please explain the business expansion plan directly on the form. The business expansion plan must address the elements on the form.

5c-d) If supplier or network plans to expand through the use of subcontractors, please identify the legal entities with which the supplier or network anticipates entering into a subcontracting agreement. Indicate the expected function of the subcontractor(s), as well. Subcontracting does not eliminate your responsibility to ensure quality standards. Signed letters of intent must be attached. These letters represent an agreement to enter into a subcontracting relationship but are not legal contracts.

6) Indicate if supplier is submitting a bid in any other CBA for any other product category. Please indicate the product category, as well as the CBA.

7) This space may be used to elaborate on earlier questions. Please include question number with the response.

## **Bidding Sheet**

Items C, F, and G must be completed by the supplier. In the case of a network, this must be completed by the primary supplier; in the case of common ownership with multiple locations, this must be completed by the authorized official. Suppliers cannot condition their bids in any way.

The following is a description of each column on the bidding sheet:

Column A- HCPCS Codes -- Indicates the Health Care Common Procedure Coding System code for each item in the product category. Bidders are not required to enter any information in this column.

Column B- Item Description -- Describes each item in the product category for which the bidder will submit a bid. Bidders are not required to enter any information in this column.

Column C- Models to be Provided -- Bidders must enter the Manufacturer, Model Name and Number of the items they will make available to beneficiaries.

Column D- Rental or Purchase -- Indicates whether an item should be bid as a rental or purchase. Bidders are not required to enter any information in this column.

Column E- Item Weight Indicates the item weight for each item. Item weights will be determined based on the utilization of the individual item compared to other items within that product category based on historic Medicare claims. Bidders are not required to enter any information in this column.

Column F- Total Estimated Capacity -- Bidders must enter their total estimated capacity on the bid sheet. The total estimated Medicare capacity is the capacity of units by HCPCS code that the bidder currently supplies plus any additional capacity the bidder would be capable of providing per HCPCS code.

Column G- Bid Price -- Bidder must indicate its bid price in this column for each item in the product category.

**The bid price submitted for the item MUST cover the following:**

- Bids must include the cost of furnishing the item throughout the geographic area that makes up the CBA, except for entities that are eligible for limited participation in the Competitive Bidding Program, as defined in the Medicare Competitive Bidding Final Rule.
- Furnishing the item includes the cost of providing the item and any requisite services directly associated with the item, such as proper beneficiary and caregiver training and follow-up, manufacturer's shipping charges, maintaining rented equipment in proper order, education, delivery, set-up and retrieval.
- The bidding form will identify if a product will be paid on either a rental or purchase basis and whether the bid should represent a purchase or rental amount.
- The RFB form requires suppliers to identify the item for which they are bidding by Manufacturer, Model Name and Number. We recognize that suppliers may change models in later periods of the bidding cycle.

**Certifying Statement signed by Authorized Representative of Supplier**

Only an authorized official can sign the certifying statement on behalf of the company. An authorized official is an appointed official to whom the supplier has granted the legal authority to enroll it in the Medicare program, to make changes and/or updates to the supplier's status in the Medicare program (e.g., new practice locations, change of address, etc.), to verify correctness of information on the form, and to commit the supplier to fully abide by the laws, regulations, and program instructions of Medicare. The authorized official must be the supplier's general partner, chairman of the board, chief financial officer, chief executive officer, president, direct owner of the supplier organization or must hold a position of similar status and authority within the supplier's organization. The authorized official also has the legal authority to submit a bid on behalf of the company and to enter into a contract with Medicare to provide competitive bid items to Medicare beneficiaries.



## **Form C: DMEPOS Contract Supplier Quarterly Report**

Form 10169C, the Contract Supplier's Quarterly Report regarding products supplied to beneficiaries must be submitted to the CBIC, no later than 10 days after the quarter ends

Aggregate information must be sent regarding the manufacturers, model names and numbers for those items that have been furnished to beneficiaries.

1. Provide Contract Supplier's Legal Business Name. This is the name that is reported to the Internal Revenue Service (IRS) for tax reporting purposes.
2. If bidding as a Network, provide Primary Supplier's Legal Business Name. This is the name that is reported to the Internal Revenue Service (IRS) for tax reporting purposes.
3. Indicate the Competitive Bid Area (CBA) which this quarterly report covers.
4. Indicate the calendar year and quarter for which the quarterly report submission applies.
5. Indicate the approximate number of items provided to Medicare beneficiaries by number supplied, HCPCs Code, manufacturer, model name and number.
6. Quarterly Report must be signed and dated by an authorized official. An authorized official is an appointed official to whom the supplier has granted the legal authority to enroll it in the Medicare program, to make changes and/or updates to the supplier's status in the Medicare program (e.g., new practice locations, change of address, etc.), to verify correctness of information on the form, and to commit the supplier to fully abide by the laws, regulations, and program instructions of Medicare. The authorized official must be the supplier's general partner, chairman of the board, chief financial officer, chief executive officer, president, direct owner of the supplier organization, or must

hold a position of similar status and authority within the supplier's organization.

**Form D Beneficiary Survey** – To be sent to the beneficiary by the CBIC, completed by beneficiary and returned to the CBIC at the following address \_\_\_\_\_.

Beneficiary should rate the services received from contract suppliers. The beneficiary should check the box that best describes his/her experience with the supplier. If a question does not apply, the beneficiary should check N/A and proceed to the next question.

## Appendix A – Definitions

*Assets* – economic resources of an enterprise that are recognized and measured in conformity with generally accepted accounting principles. Assets also include certain deferred charges that are not resources but that are recognized and measured in conformity with generally accepted accounting principles.

*Balance Sheet* is the position statement; that is, it presents the cumulative financial position of a firm at a specific date. The balance sheets reports financial position in terms of the basic economic model of the enterprise:  $Assets = Creditors' Equity + Owners' Equity$ .

*Bid*: An offer to furnish an item for a particular price and time period that includes, as appropriate, any services that are directly related to the furnishing of the item.

*Bid Price*: The amount for which a supplier offers to provide a competitive bid item to Medicare beneficiaries during the competitive bid program.

*Bidders' Conference*: A meeting, that could be conducted by telephone or in person, sponsored by CMS and designed to provide potential bidders technical details of the competitive bid program and the bidding forms. Participation is recommended but not required.

*Bidder Number*: System generated number that identifies each unique bidding entity. Every time a supplier submits a bid as a different legal entity, it will be assigned a new bidder number.

*Bidding Window*: The period of time during which the supplier can submit bids for consideration in a competitive bid round.

*Competitive Bidding Area (CBA)*: An area established by the Secretary for purposes of the Medicare DMEPOS Competitive Bidding Program.

*Competitive Bid Cycle*: A competitive bid cycle is the period of time ranging from the establishment of competitive bid prices until the next competitive bid cycle begins or the current competitive bid cycle ends. Competitive bid cycles are limited to a three year period.

*Competitive Bidding Implementation Contractor (CBIC)*: The CMS contractor that helps implement the Medicare DMEPOS Competitive Bidding Program.

*Competitive Bidding Program*: A program established under this rule in a CBA to solicit supplier bids, establish a single payment amount, and award contracts within a designated CBA.

*Competitive Range:* Phrase used to describe the subset of suppliers whose composite bid prices are equal to or are less than the pivotal bid price for the product category.

*Composite Bid:* The sum of a bidding supplier's weighted bids for all items within a product category for purposes of allowing a comparison across bidding suppliers.

*Contract supplier:* An entity that is awarded a contract by CMS to furnish items under a competitive bidding program.

*Entity:* For competitive bidding purposes, the term entity refers to a unique bidder. For example, every time a supplier submits a bid as an individual company and then submits a different bid as a member of a network for a different product category or in a different CBA, it will be considered a different entity. However, if a supplier with common owners and multiple locations submits a bid, it is considered one entity.

*Fee Schedule:* A schedule of fees for various items and services used in determining payment for a particular item or service.

*HCPCS:* Healthcare Common Procedure Coding System.

*Income Statement:* Reports on the operations for a given period of time as opposed to a specific point in time.

*Item:* One of the following products identified by a HCPCS code, or as specified for competitive bidding, or an equipment class in the case of oxygen and oxygen equipment, other than class III devices under the Federal Food, Drug and Cosmetic Act and inhalation drugs, including services directly related to the furnishing of that product to the beneficiary:

- (1) Durable medical equipment (DME), as defined in §414.202 and further classified into the following categories:
  - (a) Inexpensive or routinely purchased items, as specified in §414.220(a);
  - (b) Items requiring frequent and substantial servicing, as specified in §414.222(a);
  - (c) Oxygen and oxygen equipment, as specified in §414.226(b); and
  - (d) Other DME (capped rental items), as specified in §414.229.
- (2) Supplies necessary for the effective use of DME.
- (3) Enteral nutrients, equipment, and supplies.
- (4) OTS orthotics, which are orthotics described in section 1861(s)(9) of the Act that require minimal self-adjustment for appropriate use and do not require expertise in trimming, bending, molding, assembling, or customizing to fit a beneficiary.

*Item weight* A number assigned to an item based on its beneficiary utilization rate in a competitive bidding area when compared to other items in the same product category.

*Network Member Supplier:* Any member of a network who is not the primary supplier.

*Network:* A group of two or more eligible suppliers bidding together as a single entity. Networks designate a primary supplier to assume billing responsibilities if the network is selected as a contract Supplier.

*NPI:* National Provider Identifier. Identifier for use in electronic healthcare transactions.

*NSC:* National Supplier Clearinghouse. The NSC number is the ten digit number required to bill Medicare for DMEPOS.

*Product Category:* A grouping of related items included in a competitive bidding program.

*Request For Bids (RFB):* A formal procurement process by which CMS is requesting eligible Medicare DMEPOS suppliers to propose their most favorable prices for items and services included in the competitive bid program.

*Sanction:* Sanctions would include, but are not limited to, debarment from any Federal program, sanctions issued by the OIG, or sanctions issued at the State or local level. This includes any actions taken against any member of the board of directors, chief corporate officers, high level employees, affiliated companies, network members or subcontractors.

*Specialty Supplier:* An entity that is eligible for limited participation (allows the entity to only serve their own residents) in the Competitive Bidding Program, as defined in the Medicare DMEPOS Competitive Bidding Final Rule.

*Statement of Financial Position:* An alternative term for the term “balance sheet”. The financial position of an enterprise at a particular time comprises its assets, liabilities, and owners’ equity and the relationship among them, plus contingencies, commitments, and other financial matters that pertain to the enterprise at the time. The financial position of an enterprise is presented in the balance sheet and in notes to the financial statement.

*Subcontractor:* An entity, including an individual or individuals, that contracts with a supplier to supply a service either to the supplier or directly to the beneficiary, for which Medicare reimburses the supplier the cost of the service.

*Supplier:* An entity with a valid Medicare supplier number, including an entity that furnishes an item through the mail.

