

Medicare's Competitive Bidding Program Puts Beneficiaries' Lives at Risk

Peer-Reviewed Journal Article Shows How Disruption in Access to Diabetes Testing Supplies Led to Increased Mortality and Hospitalizations, Higher Costs for Medicare Beneficiaries

WASHINGTON, D.C. (March 18, 2016) – Medicare's Competitive Bidding Program (CBP) is causing confusion among beneficiaries with diabetes, increasing the rate and costs of hospitalization for these beneficiaries and putting their lives at risk. Recent findings from the [National Minority Quality Forum](#) (The Forum) will be published in the April issue of *Diabetes Care*, a journal of the American Diabetes Association, and they point to a cost-saving strategy that is costing lives and money. The original intent of the Competitive Bidding Program was to save money on durable medical equipment, but the data shows it is actually driving up costs in the form of avoidable hospital bills and exposing beneficiaries to much higher out-of-pocket costs for those unnecessary inpatient stays.

The Centers for Medicare and Medicaid Services (CMS), the administrator of the Medicare program, claims that the Competitive Bidding Program poses no health threat to beneficiaries. However, the Government Accountability Office (GAO) challenged the safety monitoring of the Competitive Bidding Program, stating that the monitoring methods used by CMS in assessing the impact of competitive bidding did not directly show whether beneficiaries received the durable medical equipment needed on time or whether health outcomes were caused by problems accessing CBP-covered equipment¹.

The Forum built upon the GAO's analysis by examining access to diabetes testing supplies for Medicare beneficiaries living with diabetes and requiring insulin therapy. Working with some of the nation's leading endocrinologists,* the Forum's study found that the Competitive Bidding Program disrupted beneficiaries' ability to access diabetes testing supplies, and this disruption was associated with an increase in mortality, higher hospitalization rates and inpatient costs.

"Self-monitoring blood glucose supplies are a critical component of diabetes care among insulin-treated individuals and the value of safe, effective testing supplies cannot be underestimated," said Jaime Davidson, M.D., clinical professor of Medicine at the University of Texas Southwestern Medical Center, and an author of the study. "We are particularly concerned about the disruption we detected in our analysis given the predominant use of rapid- and short-acting insulin by Medicare beneficiaries, who are at significantly greater risk for hypoglycemia than younger individuals with insulin-treated diabetes."

"We are troubled that CMS failed to detect these 'unintended' consequences and, instead, reported that the program was a success," said Gary A. Puckrein, Ph.D., president and CEO of the National Minority Quality Forum and a study author. "Based on our findings and employing the safety monitoring protocols commonly used to protect human subjects, we believe policymakers should immediately suspend the program until CMS can demonstrate its ability to effectively monitor the effects of the program, correct the structural flaws causing this problem and ensure that the lives of America's greatest generation are no longer at risk."

¹ United States Government Accountability Office. Medicare: Review of the First Year of CMS's Durable Medical Equipment Competitive Bidding Program's Round 1 Rebid, May 2012 (GAO-12-693), <http://www.gao.gov/assets/600/590712.pdf> (accessed 4 November 2015), page 42.

The ahead of print article "Impact of CMS Competitive Bidding Program on Medicare Beneficiary Safety and Access to Diabetes Testing Supplies: A Retrospective, Longitudinal Analysis" can be found online: <http://care.diabetesjournals.org/content/early/2016/01/29/dc15-1264.abstract>. The full article will also be published here: <http://dx.doi.org/10.2337/dc15-1264>. If media would like a copy of the article they may contact the American Diabetes Association Communications Department at 703-299-2053. Media may also send an email to Michelle Kirkwood, Director, Communications & Media Relations, MKirkwood@diabetes.org, for a copy of the article.

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About the National Minority Quality Forum

The National Minority Quality Forum (The Forum) is a Washington, DC-based not-for-profit, non-partisan, independent research and education organization dedicated to improving the quality of health care that is available for and provided to all populations. The Forum develops user-friendly, web-based disease indices that provide a unique two-dimensional view of the prevalence and impact of diseases by zip code, including diabetes, kidney disease, heart disease and HIV/AIDS. Visit our website at www.nmqf.org. Look for us on Facebook (National Minority Quality Forum), and follow us on Twitter (<http://www.twitter.com/NMQF>).

About the Competitive Bidding Program

The Centers for Medicare and Medicaid Services (CMS) Competitive Bidding Program (CBP) is mandated by Congress through the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). The program required Medicare to replace the fee schedule payment methodology for selected Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) items, such as respiratory devices, mobility equipment and diabetes testing supplies, with a competitive bid process. DMEPOS suppliers must compete to become Medicare contract suppliers by submitting bids, and CMS awards contracts to winning suppliers. The intent of the program is to reduce beneficiary out-of-pocket expenses and save Medicare money while ensuring beneficiary access to quality items and services.

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