

Without question, Round 2021 of Competitive Bidding (CB) will be the single largest force that will shift and shape the reimbursement landscape for DMEPOS suppliers in the foreseeable future for almost any DMEPOS supplier in the United States. Whether you conduct your business in a Competitive Bidding Area (CBA), a non-CB area, or a rural area, this upcoming round of CB will impact you, for better or worse. For many providers, these changes will not only impact their Medicare business, but their business with third-party payers as well. Providers need to review and familiarize themselves with the contract language of their existing payer agreements, and to see which contracts have reimbursement rates that are tied to the Medicare fee schedule, how they are tied to Medicare, etc., so they are better prepared for the changes that are coming in 2021.

VGM has developed a tool that will show the financial impact Round 2021 will have on your business, and will help providers better prepare their business for these upcoming changes, by showing you:

- How Round 2021 can/will impact your non-Medicare business, including changes coming next year and what is driving the changes.
- How to predict the revenue impact Round 2021 will have on your commercial and Medicaid contracts.
- How to model different scenarios and determine at what price point(s) additional action may be required on your part with regard to renegotiating your third-party payer and Medicaid contracts.

To use this financial impact calculator tool:

1. Select and download the product category(ies) that you want to analyze
2. Identify the 3<sup>rd</sup> party payer or Medicaid program you wish to analyze (what % of Medicare rates are they currently paying you?)
3. Select your CBA (Cell B1 – dropdown menu)
4. Enter your bid price for the lead item (Cell B5)
5. Enter the % of Medicare paid by the payer you wish to analyze (Cell L3)
6. Enter the quantities billed to the payer for all of the HCPCS codes in the category into the column labeled QTY Billed to 3<sup>rd</sup> Party Payer (light green shaded column(s))

After completing steps 1-5, the calculator will show the financial impact ON YOUR BOOK OF BUSINESS at the bid price you entered. Are you happy with and or able to live with the result? If not, now is the time to act. Your future could depend on it.

Once the new Medicare rates have been released, run the analysis again to determine further action. Any questions, please contact Craig Douglas at 319-290-3535 or [craig.douglas@vgm.com](mailto:craig.douglas@vgm.com).