

Eligibility Requirements

A supplier must meet certain eligibility requirements before it can submit a bid and be awarded a contract under the Competitive Bidding Program.

- 1** A bidder must be a DMEPOS (Durable Medical Equipment, Prosthetics, Orthotics, and Supplies) supplier in good standing with an active National Supplier Clearinghouse (NSC) number. The supplier should ensure that its NSC file is up-to-date with current information, as information in the NSC file will be verified during the registration and bidding process.
- 2** The supplier must be accredited by a Centers for Medicare & Medicaid Services (CMS) approved accreditation organization for the product categories for which it submits a bid. CMS cannot award a contract to a supplier that is not accredited. For a listing of CMS approved accreditation organizations, please visit:
<http://www.cms.hhs.gov/MedicareProviderSupEnroll/Downloads/DeemedAccreditationOrganizations.pdf>.
- 3** Suppliers submitting a bid for a product category in a competitive bidding area (CBA) must meet all applicable state licensure requirements for the sale and/or distribution of that specific product category for all supplier locations (10-digit NSC number) in every state in that CBA. Prior to submitting a bid for a CBA and product category, the supplier must have a copy of the applicable state license(s) on file with the NSC. Contracts are only awarded to suppliers that meet all state licensure requirements for every state in a CBA.

Every supplier location must be licensed in each state in which it provides services. A supplier with only one location in a multiple-state CBA must have that location meet the license requirements of each state in the CBA to provide competitive bidding items and services throughout the CBA. For example, a supplier bidding in the Cincinnati-Middletown (Ohio, Kentucky, and Indiana) CBA that only has a location in Ohio must have that location licensed in Ohio, Kentucky, and Indiana.

Each location of a supplier with more than one location in a multiple-state CBA must have the applicable state licenses for the state in the CBA in which it provides the competitive bidding items. For example, for the Charlotte-Gastonia-Concord (North Carolina and South Carolina) CBA, all locations of the supplier located in North Carolina must have the state license(s) to provide the competitive bidding item in North Carolina, and all locations of the supplier in South Carolina must have the state license(s) to provide the competitive bidding item in South Carolina. However, each location does not have to be licensed for both states unless that location is providing items in both states.

- 4** Suppliers are not required to have a physical location in a CBA to submit a bid for that CBA unless it is required by state licensure requirements. Suppliers must comply with all program requirements, including the requirement to furnish items to beneficiaries throughout the CBA, to be awarded a contract. A supplier should not submit a bid unless it currently has the ability to furnish items and services throughout the entire CBA. If a supplier intends to use the services of a subcontractor in order to provide services throughout the CBA, they must ensure the subcontractor is accredited, licensed, and performs services consistent with 42 CFR 424.57(c).
- 5** Most suppliers must possess a \$50,000 surety bond for each location by October 2, 2009. Suppliers subject to this bonding requirement must be bonded in order to bid in the DMEPOS Competitive Bidding Program. A list of sureties from which a bond can be secured can be found at the Department of the Treasury's "List of Certified (Surety Bond) Companies" website: www.fms.treas.gov/c570/c570_a-z.html.