

Skilled Nursing Facilities (SNFs) and Nursing Facilities (NFs)

Skilled nursing facilities (SNFs) and nursing facilities (NFs) are subject to the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program to the extent that competitively bid items and services are furnished to their residents under Medicare Part B. The items in the [enteral nutrients, equipment, and supplies product category](#) are the only Round 1 2017 items that can be covered under Medicare Part B when furnished to SNF or NF residents. A SNF or NF located in a competitive bidding area (CBA) must submit a bid and be awarded a contract to continue to furnish enteral nutrients, equipment, and supplies under Part B when competitive bidding contracts become effective.

SNFs and NFs that decide to bid have two options when bidding; they can:

1. submit a bid(s) to become a “specialty supplier” that furnishes the competitively bid item(s) only to their own residents, **or**
2. submit a bid(s) to become a regular contract supplier that furnishes the competitively bid item(s) to beneficiaries throughout the entire CBA.

If a SNF or NF does not submit a bid or is not awarded a contract as a specialty supplier or as a regular contract supplier, it must use a contract supplier for the CBA to furnish competitively bid items to its residents.

SNFs and NFs that elect to bid as “specialty suppliers” must check “Yes” to the question, “Is your organization a skilled nursing facility (SNF) or a nursing facility (NF) that is bidding as a specialty supplier and plans to provide competitively bid items only to its own residents?” in Form A in the DMEPOS bidding system (DBidS). SNFs and NFs that become specialty suppliers may not furnish competitively bid items and services to Medicare beneficiaries outside their facilities.

It is important to know that SNFs and NFs are the only entities that can bid to become “specialty suppliers.” Suppliers that are affiliated with SNFs or NFs but are not enrolled in Medicare as a SNF or NF do not qualify for this option. The Centers for Medicare & Medicaid Services (CMS) will verify with the enrollment record of each bidder that indicates it is a SNF or a NF and is bidding to become a “specialty supplier.” If the information on the enrollment record does not indicate that the bidder is in fact a SNF or a NF, the bidder will not be offered a contract.

