

114TH CONGRESS  
1ST SESSION

# H. R. 284

To amend title XVIII of the Social Security Act to require State licensure and bid surety bonds for entities submitting bids under the Medicare durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) competitive acquisition program, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

JANUARY 12, 2015

Mr. TIBERI (for himself, Mr. LARSON of Connecticut, Mr. KELLY of Pennsylvania, Mr. GIBBS, Mr. JOYCE, Mr. STIVERS, Mr. JOHNSON of Ohio, Mr. DAVID SCOTT of Georgia, Mr. JOHNSON of Georgia, Mr. THOMPSON of Pennsylvania, Mr. NEUGEBAUER, Ms. TSONGAS, Mr. HANNA, Mr. HARPER, Mr. CRENSHAW, Mr. LANGEVIN, Mr. ROE of Tennessee, Ms. PINGREE, Mr. AMODEI, Mr. ROKITA, Mr. RYAN of Ohio, Mrs. MILLER of Michigan, Mr. TIPTON, Mr. BARLETTA, Mrs. WALORSKI, Mr. LOEBSACK, Ms. SLAUGHTER, and Ms. DUCKWORTH) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

## A BILL

To amend title XVIII of the Social Security Act to require State licensure and bid surety bonds for entities submitting bids under the Medicare durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) competitive acquisition program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Medicare DMEPOS  
3 Competitive Bidding Improvement Act of 2015”.

4 **SEC. 2. REQUIRING STATE LICENSURE AND BID SURETY**  
5 **BONDS FOR ENTITIES SUBMITTING BIDS**  
6 **UNDER THE MEDICARE DMEPOS COMPETI-**  
7 **TIVE ACQUISITION PROGRAM.**

8 Section 1847(a)(1) of the Social Security Act (42  
9 U.S.C. 1395w-3(a)(1)) is amended by adding at the end  
10 the following new subparagraphs:

11 “(G) **REQUIRING STATE LICENSURE AND**  
12 **BID BONDS FOR BIDDING ENTITIES.**—With re-  
13 spect to rounds of competitions beginning under  
14 this subsection on or after the date of enact-  
15 ment of this subparagraph, the Secretary may  
16 not accept a bid from an entity for an area un-  
17 less, as of the deadline for bid submission—

18 “(i) the entity meets applicable State  
19 licensure requirements for such area for all  
20 items in such bid for a product category;  
21 and

22 “(ii) the entity has obtained (and pro-  
23 vided the Secretary with proof of having  
24 obtained) a bid surety bond (in this para-  
25 graph referred to as a ‘bid bond’) in a  
26 form specified by the Secretary consistent

1 with subparagraph (H) and in an amount  
2 that is not less than \$50,000 and not more  
3 than \$100,000 for each such area.

4 “(H) TREATMENT OF BID BONDS SUB-  
5 MITTED.—

6 “(i) FOR SUCCESSFUL BIDDERS THAT  
7 DO NOT ACCEPT THE CONTRACT.—In the  
8 case of a bidding entity that is offered a  
9 contract for an area for a product cat-  
10 egory, if the entity’s composite bid—

11 “(I) is at or below the product  
12 category’s median composite bid rate  
13 for the area and the entity does not  
14 accept the contract offered for the  
15 product and area, the bid bond sub-  
16 mitted shall be forfeited by the bid-  
17 ding entity and the Secretary shall  
18 collect on it; or

19 “(II) is above such median com-  
20 posite bid rate and the entity chooses  
21 not to accept a contract for the prod-  
22 uct category, the bid bond submitted  
23 shall be returned within 90 days of  
24 the date of notice of nonacceptance.

1                   “(ii) FOR LOSING BIDDERS.—If a bid-  
2                   ding entity submits a bid that is not ac-  
3                   cepted for an area, the bid bond submitted  
4                   for the entity for such area shall be re-  
5                   turned within 90 days of the date of notice  
6                   of nonacceptance.”.

○