

Competitive bidding lowers Medicare costs

The following are examples of how much Medicare will save on some home medical equipment and supplies when new prices take effect July 1, 2008 in select areas of Florida where suppliers competed for contracts from Medicare. The federal health insurance program pays 80% of the cost and patients or their supplemental insurance plans pay the rest. (See map for specific areas.)

Savings in South Florida

	Florida price	Miami-Dade, Broward, Palm Beach area price	Total saved	Medicare saves (80% of the difference)	Patient saves (20% of the difference)
Oxygen concentrator - 35% savings					
Monthly	\$199.28	\$129.97	\$69.31	\$55.45	\$13.86
Annually	\$2,391.36	\$1,559.64	\$831.72	\$665.38	\$166.34
3 years*	\$7,174.08	\$4,678.92	\$2,495.16	\$1,996.13	\$499.03
Semi-electric hospital bed (monthly rental) - 30% savings					
Monthly	\$140.46	\$98.32	\$42.14	\$33.71	\$8.43
13 months*	\$1,825.98	\$1,278.16	\$547.82	\$438.26	\$109.56
50 blood glucose test strips (mail order) - 40% savings					
Monthly	\$36.94	\$22.16	\$14.78	\$11.82	\$2.96
Annually	\$443.28	\$265.92	\$177.36	\$141.89	\$35.47
3 years*	\$1,329.84	\$797.76	\$532.08	\$425.66	\$106.42
Power wheelchair (purchase) - 31% savings					
One	\$4,057.40	\$2,816.59	\$1,240.81	\$992.65	\$248.16

Savings in Orlando area

	Florida price	Orlando area price	Total saved	Medicare saves (80% of the difference)	Patient saves (20% of the difference)
Oxygen concentrator - 35% savings					
Monthly	\$199.28	\$129.97	\$69.31	\$55.45	\$13.86
Annually	\$2,391.36	\$1,559.64	\$831.72	\$665.38	\$166.34
3 years*	\$7,174.08	\$4,678.92	\$2,495.16	\$1,996.13	\$499.03
Semi-electric hospital bed (monthly rental) - 30% savings					
Monthly	\$140.46	\$95.00	\$45.46	\$36.37	\$9.09
13 months*	\$1,825.98	\$1,235.00	\$590.98	\$472.78	\$118.20
50 blood glucose test strips (mail order) - 42% savings					
Monthly	\$36.94	\$21.58	\$15.36	\$12.29	\$3.07
Annually	\$443.28	\$258.96	\$184.32	\$147.46	\$36.86
3 years*	\$1,329.84	\$776.88	\$552.96	\$442.37	\$110.59
Power wheelchair (purchase) - 32% savings					
One	\$4,032.70	\$2,756.24	\$1,276.46	\$1,021.17	\$255.29

* Patient owns the item when rental period ends

Source: U. S. Centers for Medicare and Medicaid Services