

**Message for Providers/Suppliers
Concerning CR 6421**

**TO: DMEPOS suppliers and their billing agents/clearinghouses
Physicians/non-physician practitioners and their group practice offices**

**SUBJECT: Change Request 6421—Editing the Ordering/Referring Provider in DMEPOS
Claims**

This message is directed at Medicare suppliers of durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS), their billing agents and clearinghouses, and the physicians and non-physician practitioners who order items of DMEPOS for their Medicare patients. We refer to those physicians and non-physician practitioners as “ordering/referring providers.”

Background:

To implement Section 1833(q) of the Social Security Act that requires all physicians and non-physician practitioners that meet the definitions at section 1861(r) and 1842(b)(18)(C) be uniquely identified for all claims for services that are ordered or referred and to address concerns raised by Congress, the public, and Government agencies for paying claims for DMEPOS that were ordered by physicians or non-physician practitioners who were not permitted by the Medicare program to do so.

As a first step in addressing these concerns, the Centers for Medicare & Medicaid Services (CMS) is verifying that the ordering/referring provider on a DMEPOS claim (1) has a current enrollment record in Medicare (i.e., the ordering/referring provider enrolled or updated his/her enrollment record within the past 5 years and the NPI is in the record) and (2) is of a specialty that is eligible to order and refer.

This verification is being implemented in two phases:

- In Phase 1 (October 5, 2009 through January 3, 2010), DMEPOS suppliers who report ordering/referring providers who do not pass both edits will receive an informational message on their remittance. (Paper billers will not receive an informational message.) The claims will be paid.
- In Phase 2 (January 4, 2010 and thereafter), DMEPOS suppliers who report ordering/referring providers who do not pass both edits will have their claims rejected.

The following physicians and non-physician practitioners may order/refer in the Medicare program:

Physicians (doctors of medicine or osteopathy—all specialties, and doctors of dental medicine, dental surgery, podiatric medicine, optometry, and chiropractic medicine)
Physician assistants,
Certified Clinical Nurse Specialists,

Nurse Practitioners,
Clinical Psychologists,
Certified Nurse Midwives, and
Clinical Social Workers.

How the new edits are being implemented:

CMS has furnished the DME claims processing system with a national file that was generated from the CMS' national provider enrollment repository, Provider Enrollment, Chain and Ownership System (PECOS). We refer to this file as the PECOS List. PECOS maintains Medicare enrollment information for all providers and suppliers (including physicians and the non-physician practitioners shown above), except DMEPOS suppliers; however, it is important to note that PECOS only maintains enrollment information for physicians and non-physician practitioners if they have enrolled or updated their enrollment information since November 2003.

Medicare transmits updates to the PECOS List daily to the claims processing system. The PECOS List contains only the physicians and non-physician practitioners who are enrolled in the above specialties and who have current enrollment records (i.e., they have enrollment records in PECOS that contain their NPIs). CEDI (the front-end claims processing system for electronic DMEPOS claims) compares the NPI and the first letter of the first name and the first four letters of the last name of the ordering/referring provider as reported on the claim to that same information in the PECOS List. If a match is found, no informational message is sent to the DMEPOS supplier in the Remittance. If a match is not found, an informational message is sent to the DMEPOS supplier in the Remittance. Beginning January 5, 2010 and thereafter, if a match is not found, the claim will be rejected.

CMS actions to mitigate the number of informational messages:

Since many DMEPOS suppliers are receiving informational messages in their Remittances, CMS is taking the following actions to reduce the number of informational messages:

1. Prior to the implementation of Phase 2, CMS will systematically add the NPIs to the PECOS enrollment records of all physicians and non-physician practitioners whose PECOS records do not contain their NPIs. Because the NPI is one of the matching criteria used in implementing the edits, it is essential that the NPI be in the PECOS enrollment record. Because the PECOS List contains only physicians and non-physician practitioners who are in PECOS with NPIs in their enrollment records, this action will result in the addition of many more physicians and non-physician practitioners to the PECOS List.
2. Prior to the implementation of Phase 2, CMS will make publicly available on the Internet a national file of Medicare physicians and non-physician practitioners who are eligible to order/refer. The file will contain the NPI and the Legal Name (from the Medicare PECOS enrollment record). This will allow DMEPOS suppliers to determine if the

ordering/referring provider has a current Medicare enrollment record and is eligible to order or refer.

3. Prior to the implementation of Phase 2, CMS will issue instructions that will assist Medicare contractors in enrolling licensed residents, Department of Veterans Affairs physicians, and Public Health Service physicians. These physicians continue to order DMEPOS but have not enrolled in Medicare because they are not eligible for payments from Medicare. The instructions will also state that the teaching physician should be reported as the ordering/referring physician in situations where a resident orders DMEPOS but is not licensed by the State and thus cannot enroll in Medicare. Note that dentists and pediatricians, who may sometimes order DMEPOS for Medicare beneficiaries but who have not enrolled in Medicare because they see so few Medicare patients or most of their services are not covered by Medicare, are considered “physicians” in terms of eligibility to order/refer, have been and continue to be eligible to enroll in the Medicare program.
4. An MLN Matters Article (MM6421) about CR 6421 is available on the CMS web site. To supplement that Article, CMS will be preparing a Special Edition Medicare Learning Network (MLN) Matters Article about CR 6421.
5. CMS’s Medicare contractors have also initiated a revalidation effort (via CR 6574, Transmittal 557) which is designed to update the Medicare enrollment record for 2,500 physicians and non-physician practitioners (50 practitioners per State). We expect that this revalidation effort will be complete or nearing completion by the time that Phase 2 is implemented.

Points to remember:

- **For DMEPOS suppliers—**
 - Upon implementation of Phase 2, only accept and fill orders from eligible Medicare providers. The CMS national file mentioned in item 2 above will greatly assist you.
 - If you submit electronic claims, ensure that the ordering/referring provider name is reported in all uppercase letters. This information is included in the CEDI Companion Document and some of the DME MACs have made this information available separately from the Companion Document.
 - Do not report a nickname in the ordering/referring provider name. For example, a reported first name of “BOB” will result in a non-match to the first name of “ROBERT” (editing includes the comparison of the first initial of the first name), causing the claim to fail the two new edits.
 - Do not use commas, periods, or apostrophes within the ordering/referring provider’s name. For example, “O’CONNELL” should be reported as “OCONNELL”.
 - Ensure that names are reported correctly. For example, do not include credentials in a name field in the name segment for the ordering/referring provider (e.g., do not report a first name as “DR JOHN.”)

- Use of the Advance Beneficiary Notice of Noncoverage (ABN) is not appropriate on a rejected claim. An ABN is appropriate only when a provider/supplier expects Medicare to *deny coverage* for an item or service under the Limitation on Liability provisions of Section 1879 of the Social Security Act.
 - Many ordering/referring providers are getting their enrollment information into PECOS or are updating their enrollment information. It may take some time for a Medicare enrollment contractor to process these enrollment applications. Once an application has been approved, the ordering/referring provider will have an enrollment record in PECOS that contains the NPI. After the implementation of Phase 2, a DMEPOS claim may identify an ordering/referring provider who now has a current enrollment record (i.e., in PECOS with the NPI in the record) but the date of service precedes the date the ordering/referring provider's information was effective in PECOS. Such a claim would pass the two new edits—Medicare is not comparing the date of service on the claim to the date the ordering/referring provider was effective in PECOS. The claim would not be rejected.
- **For ordering/referring providers—**
 - If you are not enrolled in the Medicare program, or if you enrolled more than 5 years ago and have not submitted any updates or changes to your enrollment information in 5 years, you do not have an enrollment record in PECOS. In order to continue to order DMEPOS for Medicare beneficiaries, you will have to enroll in the Medicare program or “revalidate” your Medicare enrollment information. You may do so by (1) using Internet-based PECOS (which transmits your enrollment application to the Medicare carrier or A/B MAC via the Internet—be sure to mail the signed and dated Certification Statement to the carrier or A/B MAC immediately after submitting the application), or (2) by filling out the appropriate paper Medicare provider enrollment application(s) and mailing it, along with any required additional paper information, to the local Medicare carrier or A/B MAC, who will enter your information into PECOS and process your enrollment application. Information about enrolling in Medicare is found on the CMS web site at www.cms.hhs.gov/MedicareProviderSupEnroll.
 - Make sure you have a current enrollment record in Medicare. You can do this by calling your designated enrollment contractor or you can go on-line, using Internet-based PECOS, to view your enrollment record. While doing so, if you have a PECOS record, ensure that your NPI is in it. If it is not, update your enrollment record. You can find information about Internet-based PECOS and a link to Internet-based PECOS at www.cms.hhs.gov/MedicareProviderSupEnroll. We recommend that all providers and suppliers read the information and downloadable documents about Internet-based PECOS that are available on the CMS provider/supplier enrollment web page: www.cms.hhs.gov/MedicareProviderSupEnroll.

- If you are a dentist or other specialty who is eligible to order/refer but have not enrolled in Medicare because the services you provide are not covered by Medicare, you need to enroll in Medicare in order to continue to order or refer in the Medicare program.
- If you are a physician who is employed by the Department of Veterans Affairs or the Public Health Service but have not enrolled in Medicare because you would not be paid by Medicare for your services, you need to enroll in Medicare in order to continue to order or refer in the Medicare program.
- If you are a resident who has a medical license but have not enrolled in Medicare because you would not be paid by Medicare for your services, you need to enroll in Medicare in order to continue to order or refer in the Medicare program. Residents who do not have medical licenses are not eligible to enroll in the Medicare program. Should they order or refer, the teaching physician is to be reported in a claim as the ordering/referring provider.