



Expansion of the Current Scope of Editing for Ordering/Referring Providers for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Suppliers' Claims Processed by Durable Medical Equipment Medicare Administrative Contractors (DME MACs) – JA6421

Note: MLN Matters® article MM6421 was revised to reflect the changes in the release of a new Change Request (CR) on February 26, 2010. The implementation date and effective dates of Phase 2 are changed (see below). The Transmittal number, CR release date and Web address for accessing the CR has also been changed. All other information remains the same. **However, it is extremely important to read MLN Matters® Special Edition article, SE1011, at <http://www.cms.gov/MLN MattersArticles/downloads/SE1011.pdf> to see important clarifying information regarding this issue.**

Related CR Release Date: February 26, 2010 **Revised**

Date Job Aid Revised: April 5, 2010

Effective Date: Phase 1 - October 1, 2009
Phase 2 - January 1, 2011

Implementation Date: Phase 1 - October 5, 2009
Phase 2 - January 3, 2011

Key Words MM6421, CR6421, R643OTN, DMEPOS

Contractors Affected DME MACs

Provider Types Affected Suppliers of DMEPOS submitting claims to DME MACs for items or services provided to Medicare beneficiaries



- CR6421 requires Medicare implementation of system edits to assure that DMEPOS suppliers bill for items or services **only** when those items or services are ordered/ or referred by physician and non-physician practitioners who are eligible to order/refer such services.
- CR6421 does not apply to National Council of Prescription Drug Programs retail pharmacy drug claims.

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- Physician and non-physician practitioners who order/refer services for Medicare beneficiaries must be enrolled in the Centers for Medicare & Medicaid Services (CMS) Provider Enrollment, Chain and Ownership System (PECOS) and of the type and specialty that is eligible to order or refer services for Medicare beneficiaries.
 - The changes to the system edits will impact claims received and processed on or after October 5, 2009, and will be implemented as follows:
 - **Phase 1 (October 5, 2009- January 2, 2011)**
 - If the ordering/referring provider is not on the claim, the claim will not be paid.
 - If the ordering/referring provider is on the claim, Medicare will verify that the ordering/referring provider is in PECOS and is eligible to order/refer in Medicare.
 - If the ordering/referring provider is not in PECOS or is in PECOS but is not of the type/specialty to order or refer, the claim will continue to process.
 - If the DMEPOS supplier claim is an American National Standards Institute (ANSI) X12N 837P standard electronic claim, the DMEPOS supplier will receive a warning message on the Common Electronic Data Interchange (CEDI) GenResponse Report.
 - If the DMEPOS supplier claim is a paper CMS-1500 claim, the DMEPOS supplier will not receive a warning and will not know that the claim did not pass these edits.
 - **Phase 2 (January 3, 2011, and thereafter)**
 - If the ordering/referring provider is not on the claim, the claim will not be paid.
 - If the ordering/referring provider is on the claim, Medicare will verify that the ordering/referring provider is in PECOS and eligible to order and refer. **If the ordering/referring provider is not in PECOS or is in PECOS but is not of the specialty to order or refer, the claim will not be paid. It will be rejected.**
 - If the DMEPOS supplier claim is an ANSI X12N 837P standard electronic claim, the DMEPOS supplier will receive a rejection message on the CEDI GenResponse Report.
 - If the DMEPOS supplier claim is a paper CMS-1500 claim, the DMEPOS supplier will see the rejection indicated on the Remittance Advice.
 - In **both phases**, Medicare will verify the National Provider Identifier (NPI) and the name of the ordering/referring provider reported on the ANSI X12N 837P standard electronic claim against PECOS. **If the billed service requires an ordering/referring provider and the ordering/referring provider is not on the claim, the claim will not be paid.**
 - When furnishing names on the paper claims, providers should not use periods or commas within the name. Hyphenated names are permissible.
 - Providers who order or refer may want to verify their enrollment in PECOS. They may

Provider Needs to
Know...

do so by accessing Internet-based PECOS at <https://pecos.cms.gov/pecos/login.do> on the CMS website.

- Before using Internet-based PECOS, providers should read the educational material about Internet-based PECOS that is available at http://www.cms.gov/MedicareProviderSupEnroll/04_InternetbasedPECOS.asp on the CMS website. Once at that site, providers should scroll to the downloads section of that page and click on the materials that apply to them and their practice.
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Background

- CMS is expanding claim editing to meet the Social Security Act requirements for ordering and referring providers. Section 1833(q) of the Social Security Act requires that all ordering and referring physicians and non-physician practitioners meet the definitions at Section 1861(r) and 1842(b)(18)(C) and be uniquely identified in all claims for items and services that are the results orders or referrals.
 - Effective January 1, 1992, a provider or supplier who bills Medicare for a an item or service that was ordered or referred must show the name and unique identifier of the ordering/referring provider on the claim
 - Claims that are the result of an order or a referral must contain the NPI and the name of the ordering/referring provider. The ordering/referring provider must also be in PECOS with one of the following specialties.
 - The providers who can order/refer are:
 - Doctor of Medicine or Osteopathy;
 - Dental Medicine;
 - Dental Surgery;
 - Podiatric Medicine;
 - Optometry;
 - Chiropractic Medicine;
 - Physician Assistant;
 - Certified Clinical Nurse Specialist;
 - Nurse Practitioner;
 - Clinical Psychologist;
 - Certified Nurse Midwife; and
 - Clinical Social Worker.
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Operational
Impact

N/A

**Reference
Materials**

The related MLN Matters® article can be found at
<http://www.cms.gov/MLN MattersArticles/downloads/MM6421.pdf> on the CMS website.

The official instruction (CR6421) regarding this change may be viewed at
<http://www.cms.gov/Transmittals/downloads/R643OTN.pdf> on the CMS website.

Providers/suppliers may also want to review MLN Matters® article MM6417 (Expansion of the Current Scope of Editing for Ordering/Referring Providers for claims processed by Medicare Carriers and Part B Medicare Administrative Contractors (MACs)) at
<http://www.cms.gov/MLN MattersArticles/downloads/mm6417.pdf> on the CMS website.
