Licensure, Accreditation, and Subcontracting Requirements

PAOC MEETING

Kimberly Brandt
Director, Program Integrity Group

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STATUTORY AUTHORITY

- The Medicare Modernization Act (MMA) required the development of quality standards to be used by the deemed accreditation organizations for DME;
- The quality standards are required for all DME suppliers no matter what products the supplier is furnishing;
- The quality standards include administrative, financial, human resource, consumer service, information and performance improvement management.
- The quality standards also include the Intake, assessment, delivery, training and the follow-up process.
- If the supplier furnishes any respiratory, rehab or orthotics or prosthetics, there are additional standards that the supplier has to meet.

EXEMPTED ELIGIBLE PROFESSIONALS

- Physicians,
- Physical & Occupational Therapists,
- Qualified Speech-Language Pathologists,
- Physician Assistants,
- Nurse Practitioners,
- Clinical Nurse Specialists,
- Certified Registered Nurse Anesthetist,
- Certified Nurse – Midwives,
- Clinical Social Workers,
- Clinical Psychologists, and
- Registered Dietitians/Nutrition Professionals

“OTHER” EXEMPTED PERSONS

- Orthotists
- Prosthetists,
- Opticians, and
- Audiologists.

CMS does not believe that MIPPA gave the Secretary discretion to define persons as *organizational entities*

PHARMACY APPLICATIONS

- A pharmacy who is not billing Medicare Part B for one of the covered items, does not need to be accredited for DME.
- They will be allowed to continue to bill under Part B for drugs.
- DME infusion pumps are included in the accreditation statute.
- If the pharmacy bills for any DME, including pumps, they will need to be accredited by September 30, 2009.

ACCREDITATION DEADLINES

JANUARY 31, 2009

CMS recommended deadline by which a complete accreditation application must be submitted to the accreditation organizations to ensure the DMEPOS supplier will receive an accreditation decision by September 30, 2009.

SEPTEMBER 30, 2009

Deadline by which all existing DMEPOS suppliers must be accredited (except the exempted professionals and other persons).

NON-ACCREDITED SUPPLIERS

- For those suppliers who choose not to

  to submit an amended CMS 8595 enrollment application which reflects their voluntary termination.
  - This will prevent the supplier from being revoked and subsequently barred from the Medicare program, as cited in 42 CFR Section §424.535 (C).

FRAUD & ABUSE

- CMS has a process to refer all suspected
  OIG.
- To date we have referred over 30 **suppliers.**
- CMS is writing instructions on system requirements for the edits that will be required.

WHERE WE ARE TODAY

- The largest group not accredited or pending

- There are over 51,000 suppliers either accredited or pending accreditation.
- It takes on the average of 6 months to go through the accreditation process

WHERE WE ARE TODAY

- We have done weekly and monthly messages since MIPPA on accreditation
  - MLN Matters articles
  - CMS and NSC listserv
  - Open Door Forums every six weeks
    - Special Open Door Forums for pharmacists
- Preparing a beneficiary notice, as went out for the Part D drug plans and competitive bids
  - If you have any DME, contact your supplier to make certain that they will be able to continue after October 1.

DMEPOS ACCREDITATION RESOURCE

The DMEPOS Quality Standards and the ten deemed Accreditation Organizations are published on the CMS website at:

www.cms.hhs.gov/medicareprovidersupenroll

DMEPOS SURETY BOND (CMS-6006-F)

Final Rule published in the Federal Register on January 2, 2009.

- Requires $50,000 bond for each National Provider Identifier (NPI).
- Since DMEPOS suppliers must obtain an NPI by practice location, except for sole proprietorships, an organizational DMEPOS supplier with 20 locations would be required to secure a $1 million surety bond.
- This rule establishes an elevated surety bond amount of more than $50,000 if the DMEPOS supplier poses a significantly higher than average risk to the Medicare Trust Funds.
  - We established elevated amounts of the surety bond at a rate of $50,000 per occurrence when a DMEPOS supplier has a final adverse action.

DMEPOS SURETY BOND (CMS-6006-F)

DMEPOS suppliers exempt from bonding requirement:

- Government-owned suppliers.
- State-licensed orthotic and prosthetic personnel in private practice making custom made orthotics and prosthetics if the business is solely-owned and operated by said personnel and is billing only for orthotics and prosthetics and supplies.
- Physicians and non-physicians practitioners if the DMEPOS items are furnished only to his or hers patients as part of his or hers professional service.
- Physical and Occupational Therapists if: (1) the business is solely-owned and operated by the therapist, and (2) if the DMEPOS items are furnished only to his or her patients as part of his or her professional services.

DMEPOS SURETY BOND (CMS-6006-F)

- Implementation Dates:
  - May 4, 2009 for newly-enrolling suppliers (including those currently-enrolled suppliers undergoing a change of ownership).
  - All other currently-enrolled suppliers must obtain and submit a copy of the surety bond to the National Supplier Clearinghouse by October 2, 2009.
  - It takes approximately 30 days, but can take weeks to be issued a bond
- OMB approved revisions to the DMEPOS enrollment application, the CMS-855S. The revised CMS-855S is posted on the CMS website.
- CMS has provided outreach:
  - Special ODF on March 17th and another ODF on April 1st
  - MLN Matters article
  - NSC listserv

Supplier Standards - Licensure

- DMEPOS Supplier Standard #1 Requires all

furnish Medicare covered items in compliance with all applicable Federal and State licensure and regulatory requirements. See 42 CFR 242.57(c)(1).

Supplier Standards -Subcontracting

- The DMEPOS supplier standards identify the perform:
  - Purchase of inventory. See 42 CFR 424.57 (c)(4)
    Delivery and instruction on use of Medicare-covered item. See 42 CFR 424.57 (c)(12)
  - Repair of rented equipment. See 42 CFR 424.57 (c)(14)

Questions

Contact Information

Kimberly Brandt
Director
Program Integrity Group

(410) 786-5704
Kimberly.Brandt@cms.hhs.gov