

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



News Flash – The "Medicare Quarterly Provider Compliance Newsletter" is designed to provide education on how to avoid common billing errors and other erroneous activities when dealing with the Medicare Program. This publication is issued on a quarterly basis and highlights the "top" issues of that particular quarter. An archive and searchable index of current and previously-issued newsletters is available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/MedQtrlyCompNL_Archive.pdf on the Centers for Medicare & Medicaid website.

MLN Matters® Number: MM7333

Related Change Request (CR) #:7333

Related CR Release Date: March 4, 2011

Effective Date: July 1, 2011

Related CR Transmittal #: R865OTN

Implementation Date: July 5, 2011

Guidance on Implementing System Edits for Certain Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) [This CR Rescinds and Fully Replaces CR7073]

Note: This article was updated on August 17, 2012, to reflect current Web addresses. All other content remains the same.

Provider Types Affected

This article is for suppliers who submit claims to Medicare Durable Medical Equipment Medicare Administrative Contractors (DME MACs) for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) services provided to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 7333. The Centers for Medicare & Medicaid Services (CMS) issued CR7333 to rescind and replace CR7073 dated

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November 12, 2010. CR7333 provides further guidance to suppliers of DMEPOS, regarding licensing, accreditation, or other mandatory quality requirements that may apply. DMEPOS suppliers should be aware that if they are not identified by the National Supplier Clearing House-Medicare Administrative Contractor (NSC-MAC) as accredited to supply the specific product/service AND they are not exempt from accreditation, their claims will be automatically denied by Medicare. Also be aware that Attachments B and C of CR7333 are updated to include additional Healthcare Common Procedures Coding System (HCPCS) codes. All other information remains the same as that included in CR7073.

Background

Section 302 of the Medicare Modernization Act of 2003 (MMA) added a new paragraph 1834(a)(20) to the Social Security Act (the Act). This paragraph requires the Secretary of the Department of Health and Human Services to establish and implement quality standards for suppliers of DMEPOS. All suppliers that furnish such items or services set out at subparagraph 1834(a)(20)(D) as the Secretary determines appropriate must comply with the quality standards in order to receive Medicare Part B payments and to retain a Medicare supplier number to be able to bill Medicare. Pursuant to subparagraph 1834(a)(20)(D) of the Act, the covered items and services are defined in Section 1834(a)(13), Section 1834(h)(4) and Section 1842(s)(2) of the Act. The covered items include:

- DME;
- Medical supplies;
- Home dialysis supplies and equipment;
- Therapeutic shoes;
- Parenteral and enteral nutrient, equipment and supplies;
- Transfusion medicine; and
- Prosthetic devices, prosthetics, and orthotics.

Section 154(b) of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) added a new subparagraph (F) to Section 1834(a)(20) of the Social Security Act. In implementing quality standards under this paragraph the Secretary will require suppliers furnishing items and services directly on or after October 1, 2009, or as a subcontractor for another entity, to have submitted evidence of accreditation by an accreditation organization designated by the Secretary. This subparagraph states that eligible professionals and other persons (defined below) are exempt from meeting the accreditation deadline unless CMS determines that the quality standards are specifically designed to apply to such professionals and persons. The eligible professionals who are exempt from meeting the September 30, 2009, accreditation deadline (as defined in Section 1848(k)(3)(B)) include the following practitioners:

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- Physicians (as defined in Section 1861(r) of the Social Security Act);
- Physical Therapists;
- Occupational Therapists;
- Qualified Speech-Language Pathologists;
- Physician Assistants;
- Nurse Practitioners;
- Clinical Nurse Specialists;
- Certified Registered Nurse Anesthetists;
- Certified Nurse-Midwives;
- Clinical Social Workers;
- Clinical Psychologists;
- Registered Dietitians; and
- Nutritional Professionals.

Additionally, MIPPA allows the Secretary to specify "other persons" that are exempt from meeting the accreditation deadline unless CMS determines that the quality standards are specifically designed to apply to such other persons. At this time, "such other persons" are specifically defined as the following practitioners:

- Orthotists;
- Prosthetists;
- Opticians;
- Audiologists, and
- Pharmacies (Those that have an NSC-MAC approved "Attestation for Exemption from Accreditation for a Medicare Enrolled Pharmacy." (See the NSC-MAC website at <http://www.palmettogba.com/palmetto/palmetto.nsf/DocsCat/Home> or the CMS website) (In accordance with Section 3109(a) of the Patient Protection and Affordable Care Act.)

Key Points

All supplier types (except those listed above) who furnish items and services requiring accreditation, directly or as a subcontractor for another entity, must have submitted evidence of accreditation by an accreditation organization designated by the Secretary on or after October 1, 2009.

Edits for HCPCS codes in the product categories designated by MIPPA as requiring accreditation will be in effect. This Medicare system edit will auto-deny claims paid for these codes on claims with dates of service on or after July 5, 2011 unless:

1. The DMEPOS supplier has been identified as accredited and verified on their CMS-855S;
2. Or the DMEPOS supplier is currently exempt from meeting the accreditation requirements as listed in Attachment A of this change request; and

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3. Medicare system edits will begin this process by phasing in a limited number of product categories and HCPCS codes, as listed in Attachments B and C of this change request. The web address for Attachments B and C is part of the official instruction and may be found in the Additional Information section of this CR7333.

When claims are denied, DME MACs will use the following messages:

- Remark Code N211 – “Alert: You may not appeal this decision”; and
- Claim Adjustment Reason Code B7 – “This provider was not certified/eligible to be paid for this procedure/service on this date of service. Note: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.”

Note: Products and services requiring accreditation found on CMS 855S, Section 2D next to the NSC-MAC product codes along with HCPCS codes may be found in Attachment B in CR7333. Their corresponding HCPCS codes may be found in Attachment C. The web address of CR7333 can be found in the Additional Information section of this article.

Additional Information

The official instruction, CR7333 issued to your DME/MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R865OTN.pdf> on the CMS website.

If you have any questions, please contact your DME MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

News Flash - It's Not Too Late to Give and Get the Flu Vaccine. Take advantage of each office visit and continue to protect your patients against the seasonal flu. Medicare will continue to pay for the seasonal flu vaccine and its administration for all Medicare beneficiaries through the entire flu season. The Centers for Disease Control and Prevention (CDC) recommends that patients, health care workers, and caregivers be vaccinated against the seasonal flu. Protect your patients. **Protect your family. Protect yourself. Get Your Flu Vaccine - Not the Flu.**

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