

PROVIDER COMPLIANCE TIPS FOR NEBULIZERS AND RELATED DRUGS



PROVIDER TYPES AFFECTED

Physicians and Non-Physician Practitioners who write prescriptions for nebulizers and related drugs

BACKGROUND

For the 2018 reporting period, the Medicare Fee-For-Service improper payment rate for nebulizers and related drugs was 15.2 percent and accounted for a projected \$107.1 million in improper payments.

REASONS FOR DENIALS

For the 2018 reporting period, insufficient documentation accounted for 83.8 percent of improper payments for nebulizers and related drugs. Additional types of errors for nebulizers and related drugs were no documentation (5.8 percent), medical necessity (1.8 percent), and other (8.6 percent).

TO PREVENT DENIALS

Documentation Requirements

Medicare requires that claims for nebulizer machines and related drugs be reasonable and necessary. Local Coverage Determinations issued by the four Medicare contractors that process Durable Medical Equipment (DME) and supply claims, include utilization guidelines and documentation [requirements](#).

Nebulizer claims must include:

- A Written Order Prior to Delivery (WOPD), must be a 5 Element Order (5EO) and include all of the following elements:
 - Beneficiary's name
 - Item of DME ordered: this may be general (for example, hospital bed) or more specific (for example, continuous glucose monitor [CGM])
 - Signature of the prescribing practitioner
 - Prescribing practitioner's National Provider Identifier (NPI)
 - The date of the order
- A completed 5EO within 6 months after the required Affordable Care Act (ACA) 6407 face-to-face examination
- The supplier's receipt of the 5EO before delivery of the listed item(s)
- A date stamp or equivalent must be used to document the 5EO receipt date

Medicare will deny items delivered by a supplier without first receiving the completed order.

It is required to establish the initial justification for medical need when ordering the item(s) therefore, you must create beneficiary medical records demonstrating that the item is reasonable and necessary prior to, or at the time of, the creation of the initial prescription.

Examples of appropriate documentation that would qualify for continued medical necessity include initial justification and:

1. A recent order by the treating physician for refills
2. A recent change in prescription
3. Documentation in the beneficiary’s medical record within 12 months of the date of service showing usage of the item

When a shipping service makes a delivery, the following documentation elements must be present:

1. Beneficiary’s name
2. Delivery address
3. Delivery service’s package identification number, supplier invoice number, or alternative method that links the supplier’s delivery documents with the delivery service’s records
4. A description of the item(s) being delivered--the description can be either a narrative description (for example, a lightweight wheelchair base), a Healthcare Common Procedure Coding System (HCPCS) code, the long description of a HCPCS code, or a brand name/model number
5. Quantity delivered
6. Date delivered
7. Evidence of delivery

RESOURCES

FOR MORE INFORMATION ABOUT...	RESOURCE
The 2018 Medicare Fee-For-Service Supplemental Improper Payment Data (Data obtained from Claims Submitted: July 1, 2016 – June 30, 2017)	https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/CERT/Downloads/2018MedicareFFSSupplementalImproperPaymentData.pdf
Local Coverage Determination (LCD): Nebulizers (L33370)	https://www.cms.gov/medicare-coverage-database/details/lcd-details.aspx?LCDId=33370&ver=24&-Date=&DocID=L33370&-SearchType=Ad-vanced&bc=KA
National Coverage Determination (NCD) for Durable Medical Equipment (DME) Reference List (280.1)	https://www.cms.gov/medicare-coverage-database/details/ncd-details.aspx?NCDId=190&ncdver=2&NCDsect=280.1&bc=BEAAAAAAQA-AAA%3d%3d

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