

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-08 Medicare Program Integrity	Centers for Medicare & Medicaid Services (CMS)
Transmittal 271	Date: OCTOBER 24, 2008
	Change Request 6231

This transmittal rescinds and replaces Transmittal 250, Change Request 5954, dated April 4, 2008.

SUBJECT: Instructions for the Implementation of the Internet-Based Provider Enrollment, Chain and Ownership System (PECOS)

I. SUMMARY OF CHANGES: This change request (CR) incorporates into Pub. 100-08, chapter 10, all of the directives contained in CR 5954. Note that none of the instructions in CR 5954 are changing in any way; they are simply being shifted to chapter 10.

NEW / REVISED MATERIAL

EFFECTIVE DATE: November 24, 2008

IMPLEMENTATION DATE: November 24, 2008

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	10/15/Internet-Based PECOS Applications

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

SECTION B: For Medicare Administrative Contractors (MACs):

The Medicare administrative contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

**Business Requirements
Manual Instruction**

**Unless otherwise specified, the effective date is the date of service*

Attachment - Business Requirements

Pub. 100-08	Transmittal: 291	Date: October 25, 2008	Change Request: 6231
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This transmittal rescinds and replaces Transmittal 250, Change Request 5954, dated April 4, 2008.

SUBJECT: Instructions for the Implementation of the Internet-Based Provider Enrollment, Chain and Ownership System (PECOS)

Effective Date: November 24, 2008

Implementation Date: November 24, 2008

I. GENERAL INFORMATION

A. Background: This change request (CR) deals with Internet-based Provider Enrollment, Chain and Ownership System (PECOS) CMS-855 applications. Specifically, this directive incorporates all of the instructions contained in CR 5954 into Pub. 100-08, chapter 10. CMS emphasizes that none of the material in CR 5954 is changing in any way; said material is simply being shifted to chapter 10.

B. Policy: The purpose of this CR is to incorporate the instructions in CR 5954 into chapter 10.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6231.1	The contractor shall note that the principal logging and tracking (L & T) statuses for Internet-based PECOS applications that are not in a final status are as follows: Received, In Review, Returned for Corrections, Corrections Received, Review Complete, and Application in Process.	X		X	X	X					
6231.2	The contractor shall note that the submission of an Internet-based PECOS application will immediately place the L & T record into a Received status.	X		X	X	X					
6231.3	The contractor shall "prescreen" the Internet-based PECOS application, as the term "prescreen" is defined in section 3.1 of chapter 10.	X		X	X	X					
6231.4	If the provider fails to submit a signed and dated certification statement to the contractor within 15 calendar days of the date on which it submitted its	X		X	X	X					

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	Internet-based PECOS application to the contractor, the contractor may – but is not required to - reject the application. (For purposes of business requirement 6231.4, the certification statement must be received by the contractor’s provider enrollment unit by the 15 th day.) The 15-day rule applies to all Internet-based PECOS applications, regardless of the CMS-855 transaction involved.										
6231.4.1	If the contractor can determine (without actively processing the application) that an application can be “returned” under section 3.2 of chapter 10 (e.g., was submitted more than 30 days prior to the effective date), the contractor shall return the application without waiting for the arrival of the certification statement.	X		X	X	X					
6231.4.2	For initial Internet-based PECOS applications (as the term “initial” is defined in section 2.1 of chapter 10), it is only necessary that the dated signature of at least one of the provider’s authorized officials be on the certification statement that must be sent in by the 15 th day; obtaining the signatures of the other authorized and delegated officials shall be done through the normal application development process.	X		X	X	X					
6231.4.3	For Internet-based PECOS changes of information (as the term “changes of information” is defined in section 2.2 of chapter 10), if the certification statement is signed by an individual who is not on file with the contractor as being an authorized or delegated official of the provider, the contractor may accept the certification statement but shall develop for information on the person in question in accordance with sections 4.15 and 4.16 of chapter 10 and business requirement 6231.6.	X		X	X	X					
6231.4.4	If the provider submits: (1) an undated certification statement, or (2) a certification statement on which the Web Tracking ID does not match that in PECOS, the contractor shall treat it as a non-submission; while it is recommended that the contractor contact the provider	X		X	X	X					

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	to request a signed/correct certification statement, it is not required. (This requirement applies to any CMS-855 transaction, including requests for additional/clarifying information as described in business requirement 6231.6.)										
6231.4.4.1	If, per business requirement 6231.4.4, the contractor elects to contact the provider to request a dated/valid certification statement, the contractor may give the provider an additional 15 days (or, for that matter, any additional time beyond the initial 15-day period) to submit the new certification statement.	X		X	X	X					
6231.4.5	With respect to business requirement 6231.4.4, the contractor shall – in determining whether to accept an untimely certification statement – take into account factors such as: (1) the degree of the provider’s cooperation, (2) the time it took for the certification statement to be transferred from the contractor’s main mailroom to the provider enrollment department, and (3) the number of days by which the provider missed the 15-day deadline.	X		X	X	X					
6231.5	After – and only after - it receives and accepts the provider’s certification statement, the contractor shall: (1) enter the date of signature into the “Certification Date” box in the L & T record, and (2) change the L & T status to “In Review.” (The contractor, in other words, shall not commence any application verification activities prior to its receipt and acceptance of the certification statement and its completion of tasks (1) and (2) in the previous sentence.)	X		X	X	X					
6231.5.1	The contractor shall note that the processing time clocks referred to in sections 2.1 and 2.2 of chapter 10 commence on the date that the certification statement/envelope is date-stamped in the contractor’s mailroom.	X		X	X	X					
6231.5.2	After changing the L & T status to “In Review” per 6231.5, the contractor shall review the Application Data Report (ADR), and shall commence all applicable validation activities identified in chapter 10.	X		X	X	X					

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6231.6	If, when carrying out business requirement 6231.5.2, the contractor determines that additional or clarifying information is needed, the contractor shall – after switching the L & T status to “Returned for Corrections” - send an e-mail (via PECOS Internet) to the provider: (1) requesting said data along with, as necessary, a signed and dated certification statement; and (2) listing a date(s) by which the information and certification statement, respectively, must be submitted to the contractor.	X		X	X	X					
6231.6.1	The contractor shall note that the establishment of the submission due date referred to in (2) in business requirement 6231.6 shall be done in accordance with section 5.3(A)(2) of chapter 10.	X		X	X	X					
6231.6.2	In accordance with section 5.1 of chapter 10 – and to avoid multiple contacts with the provider - the contractor shall attempt to validate <u>all</u> of the data on the ADR prior to requesting additional/clarifying information from the provider.	X		X	X	X					
6231.6.3	The contractor shall not attempt to contact the provider for additional/clarifying information prior to sending the e-mail referred to in business requirement 6231.6.	X		X	X	X					
6231.6.4	The contractor may, at its discretion, initiate a follow-up contact with the provider after sending the e-mail referred to in business requirement 6231.6; said e-mail is the only contact that the contractor is required to make per section 5.3 of chapter 10.	X		X	X	X					
6231.6.5	Upon sending the e-mail referred to in business requirement 6231.6, the contractor shall change the L & T status to “Returned for Corrections.”	X		X	X	X					
6231.6.6	The contractor shall note that a provider may submit requested additional/clarifying data via the Internet-based PECOS application or any other mechanism permitted by chapter 10 (e.g., paper, fax).	X		X	X	X					

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6231.6.7	If the provider fails to submit the requested additional/clarifying information and the accompanying certification statement within 30 calendar days from the date the contractor sent the e-mail referred to in business requirement 6231.6, the contractor shall follow the procedures found in section 3.1 of chapter 10.	X		X	X	X					
6231.6.8	If the contractor receives the additional/clarifying information from the provider, the contractor shall not recommence its processing of the application until the accompanying certification statement is received in the contractor's provider enrollment department.	X		X	X	X					
6231.6.9	Upon the provider's submission of the additional/clarifying data and the contractor's receipt and acceptance of the newly signed and dated certification statement, the contractor shall enter the certification statement date into the L & T record.	X		X	X	X					
6231.6.10	If, after receiving the additional/clarifying information and certification statement from the provider, the contractor determines that further information is needed and elects to request this data from the provider (i.e., elects to waive the "one contact" threshold described in section 5.3 of chapter 10 and business requirement 6231.6.4), the contractor shall do so in accordance with business requirements 6231.6, 6231.6.1, 6231.6.3, 6231.6.4 and 6231.6.5.	X		X	X	X					
6231.7	The contractor shall note that the ADR is only available for printing when the L & T record is in one of the following statuses: "In Review," "Returned for Corrections," and "Corrections Received."	X		X	X	X					
6231.8	The contractor shall note that the provider must submit all applicable supporting documentation (e.g., licenses, CMS-588) with its Internet-based PECOS application. (It is not necessary, however, for the provider to submit the supporting documentation: (1) in the same package	X		X	X	X					

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	as the certification statement, or (2) prior to its submission of the certification statement.)										
6231.8.1	If the provider fails to submit all applicable supporting documentation per business requirement 6231.8, the contractor shall develop for said documentation in accordance with business requirement 6231.6.	X		X	X	X					
6231.9	Once the contractor ties the L & T record to the enrollment record, the contractor shall begin the process of transferring the data into PECOS by accepting or rejecting the various data elements; the contractor shall note that: (1) it cannot undo any transfer of information into PECOS, and (2) once the L & T is tied to the enrollment record, the application cannot be returned to the provider for corrections.	X		X	X	X					
6231.10	The contractor shall only delete an erroneously created L & T record by: (1) moving the L & T record to a status of "Rejected" and (2) using an L & T status reason of "Deleted."	X		X	X	X					
6231.11	The contractor shall note that the Gatekeeper and Enrollment screens are only used in the case of CMS-855 initial enrollment Internet-based PECOS application submissions.	X		X	X	X					
6231.12	After processing a particular Internet-based PECOS CMS-855 transaction, the contractor shall maintain in the provider's file: (1) a copy of the final version of the ADR, (2) all submitted certification statements and applicable supporting documents, and (3) documentation of all contacts with the provider (e.g., phone calls, e-mails) per section 10 of chapter 10.	X		X	X	X					
6231.13	In situations described in chapter 10 in which the contractor is required to submit a copy of the provider's paper CMS-855 to the State agency, the contractor shall send a copy of the ADR in lieu of the CMS-855 if the provider sent in its application via the Internet.	X		X	X	X					

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6231.14	<p>A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>	X		X	X	X					

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: For all other recommendations and supporting information, use this space:

V. CONTACTS

Pre-Implementation Contact: Frank Whelan, frank.whelan@cms.hhs.gov, (410) 786-1302.

Post-Implementation Contact: Frank Whelan, frank.whelan@cms.hhs.gov, (410) 786-1302.

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Carriers, and Regional Home Health Intermediaries (RHHIs)*: No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: For *Medicare Administrative Contractors (MACs)*: The Medicare administrative contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

15 – Internet-based PECOS Applications

(Rev. 271; Issued: 10-24-08; Effective/Implementation Date: 11-24-08)

This section furnishes guidance to contractors on the proper handling and processing of CMS-855 applications submitted via the Internet (hereinafter referred to as "Internet-based PECOS" applications). Unless otherwise stated, the instructions in this section 15 apply only to Internet-based PECOS applications.

Contractors shall begin processing such applications as soon as the Internet-based capability is effective for their respective A/M MAC jurisdiction or State/processing area.

A. General Background Information

The principal logging and tracking (L & T) statuses for PECOS Internet applications that are not in a final status are:

- Received;*
- In Review;*
- Returned for Corrections;*
- Corrections Received;*
- Review Complete; and*
- Application in Process.*

The submission of a PECOS Internet application will immediately place the L & T record into a "Received" status.

B. Certification Statement

If the provider fails to submit a signed and dated certification statement to the contractor within 15 calendar days of the date on which it submitted its Internet-based PECOS application to the contractor, the contractor may – but is not required to - reject the application. (For purposes of this policy, the certification statement must be received by the contractor's provider enrollment unit by the 15th day.) The 15-day rule applies to all CMS-855 PECOS Internet applications, regardless of the transaction involved.

For initial PECOS Internet applications (as the term "initial" is defined in section 2.1 of this manual), it is only necessary that the dated signature of at least one of the provider's authorized officials be on the certification statement that must be sent in by the 15th day; obtaining the signatures of the other authorized and delegated officials shall be done through the normal application development process. For PECOS Internet changes of information (as the term "changes of information" is defined in section 2.2 of this manual), if the certification statement is signed by an individual who is not on file with the contractor as being an authorized or delegated official of the provider, the contractor may accept the certification statement but shall develop for information on the person in question in accordance with sections 4.15 and 4.16 of this manual.

If the provider submits: (1) an undated certification statement, or (2) a certification statement on which the Web Tracking ID does not match that in PECOS, the contractor shall treat it as a non-submission; while it is recommended that the contractor contact the provider to request a signed/correct certification statement, it is not required. (This requirement applies to any CMS-855 transaction, including requests for additional/clarifying information.)

If the contractor elects to contact the provider to request a dated/valid certification statement, the contractor may give the provider an additional 15 days (or, for that matter, any additional time beyond the initial 15-day period) to submit the new certification statement. In determining whether to accept an untimely certification statement, the contractor shall take into account factors such as: (1) the degree of the provider's cooperation, (2) the time it took for the certification statement to be transferred from the contractor's main mailroom to the provider enrollment department, and (3) the number of days by which the provider missed the 15-day deadline.

C. Pre-Screening

The contractor shall prescreen all PECOS Internet applications, as the term "prescreen" is defined in section 3.1 of this manual.

If the contractor can determine (without actively processing the application) that an application can be returned under section 3.2 of this manual (e.g., was submitted more than 30 days prior to the effective date), the contractor shall return the application without waiting for the arrival of the certification statement.

D. Switch to "In Review" Status

After – and only after - it receives and accepts the provider's certification statement, the contractor shall: (1) enter the date of signature into the "Certification Date" box in the L & T record, and (2) change the L & T status to "In Review." The contractor, in other words, shall not initiate any application verification activities prior to its receipt and acceptance of the certification statement and its completion of tasks (1) and (2) in the previous sentence.

After changing the L & T status to "In Review," the contractor shall review the Application Data Report (ADR), and shall commence all applicable validation activities identified in this manual. Note that the ADR is only available for printing when the L & T record is in one of the following statuses: "In Review," "Returned for Corrections," or "Corrections Received."

E. Request for Additional/Clarifying Information

If, when performing verification activities, the contractor determines that additional or clarifying information is needed, the contractor shall – after switching the L & T status to "Returned for Corrections" - send an e-mail (via PECOS Internet) to the provider:

- Requesting said data along with, as necessary, a signed and dated certification statement; and
- Listing a date(s) by which the information and certification statement, respectively, must be submitted to the contractor. (The establishment of this submission due date shall be done in accordance with section 5.3(A)(2) of this manual.)

(In accordance with section 5.1 of chapter 10 – and to avoid multiple contacts with the provider - the contractor shall attempt to validate all of the data on the ADR prior to requesting additional/clarifying information from the provider.)

The contractor shall not attempt to contact the provider for additional/clarifying information prior to sending the e-mail referenced above, though the contractor is free to make a follow-up contact with the provider after sending the e-mail. Note that this e-mail is the only contact that the contractor is required to make per section 5.3 of this manual.

The provider must submit all applicable supporting documentation (e.g., licenses, CMS-588) with its PECOS Internet application. It is not necessary, however, for the provider to submit the supporting documentation: (1) in the same package as the certification statement, or (2) prior to its submission of the certification statement. Regardless, if the provider fails to submit all applicable supporting documentation, the contractor shall develop for it.

F. Submission of Additional/Clarifying Information

The contractor shall note that a provider may submit requested additional/clarifying data via PECOS Internet or any other mechanism permitted under chapter 10 (e.g., paper, fax).

If the provider fails to submit the requested additional/clarifying information and the accompanying certification statement within 30 calendar days from the date the contractor sent the e-mail referred to above, the contractor shall follow the procedures in section 3.1 of this manual. If, however, the contractor receives the additional/clarifying information from the provider, the contractor shall not recommence its processing of the application until the accompanying certification statement is received in the contractor's provider enrollment department. Once the contractor accepts the newly signed and dated certification statement, it shall enter the certification statement date into the L & T record.

If, after receiving the additional/clarifying information and certification statement from the provider, the contractor determines that further information is needed and elects to request this data from the provider (i.e., elects to waive the "one contact" threshold described in section 5.3 of this manual), the contractor shall do so in accordance with the instructions in this section 15.

G. Transferal of Data into PECOS

Once the contractor ties the L & T record to the enrollment record, the contractor shall begin the process of transferring the data into PECOS by accepting or rejecting the various data elements. The contractor shall note that: (1) it cannot undo any transfer of information into PECOS, and (2) once the L & T is tied to the enrollment record, the application cannot be returned to the provider for corrections.

H. Miscellaneous Instructions

The contractor shall note the following:

- ***Deletion of Erroneous Record*** - *The contractor shall only delete an erroneously created L & T record by: (1) moving the L & T record to a status of “Rejected,” and (2) using an L & T status reason of “Deleted.”*
- ***Gatekeeper/Enrollment Screens*** - *The Gatekeeper and Enrollment screens are only used in the case of CMS-855 initial enrollment PECOS Internet submissions.*
- ***Post-Processing Recordkeeping*** - *After processing a particular PECOS Internet transaction, the contractor shall maintain in the provider’s file: (1) a copy of the final version of the ADR, (2) all submitted certification statements and applicable supporting documents, and (3) documentation of all contacts with the provider (e.g., phone calls, e-mails) per section 10 of this manual.*
- ***State Agencies*** - *In situations described in this manual in which the contractor is required to submit a copy of the provider’s paper CMS-855 to the State agency, the contractor shall send a copy of the ADR in lieu of the CMS-855 if the provider sent in its application via the Internet.*