

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-08 Medicare Program Integrity	Centers for Medicare & Medicaid Services (CMS)
Transmittal 635	Date: February 4, 2016
	Change Request 9487

SUBJECT: Clarification to Language Regarding Proof of Delivery Requirements in Pub. 100-08, Chapter 4, Section 4.26.1

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to revise language in chapter 4, section 4.26.1 of Pub. 100-08. This revision will further outline the proof of delivery requirements when delivering to a skilled nursing facility (SNF). Additionally, a clarification has been added regarding what can be accepted as having filled the detailed description of the item being delivered.

EFFECTIVE DATE: March 4, 2016

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

IMPLEMENTATION DATE: March 4, 2016

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/revise 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-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	4/4.26.1 - Proof of Delivery and Delivery Methods

III. FUNDING:

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**

Attachment - Business Requirements

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I. GENERAL INFORMATION

A. Background: One of the requirements for suppliers of Durable Medical Equipment Prosthetics, Orthotics and Supplies (DMEPOS), as described below, requires suppliers to maintain a proof of delivery for DMEPOS items provided to Medicare beneficiaries. Chapter 4, section 4.26.1 of Pub. 100-08 details this requirement for the purpose of medical review. Recently, DMEPOS suppliers have notified the Centers for Medicare & Medicaid Services (CMS) of their concern that the proof of delivery instruction related to DMEPOS provided to beneficiaries residing in SNFs is subject to interpretation and variation in application. CMS is also further clarifying the proof of delivery section in chapter 4, section 4.26.1 of Pub. 100-08 to address this concern.

B. Policy: Set forth in 42 CFR 424.57, this regulation requires that suppliers of DMEPOS must maintain proof of delivery for items they provide to Medicare beneficiaries.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
9487.1	Contractors shall accept the long description of the HCPCS code as meeting the requirement for the detailed description of the item being delivered.	X	X	X	X					
9487.2	Contractors shall continue to ensure that any bills for the DMEPOS item(s) are consistent with the order(s) written by the physician or other eligible practitioner. Questionable billing patterns or practices shall be referred to the appropriate entity for additional enforcement.	X	X	X	X					

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements:

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information:

V. CONTACTS

Pre-Implementation Contact(s): Heather Wetherson, Heather.wetherson@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: 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.

ATTACHMENTS: 0

4.26.1 - Proof of Delivery and Delivery Methods

(Rev635. Issued: 02-04-16, Effective: 03-04-16, Implementation: 03-04-16)

For the purpose of the delivery methods noted below, **designee** is defined as:

“Any person who can sign and accept the delivery of durable medical equipment on behalf of the beneficiary.”

Suppliers, their employees, or anyone else having a financial interest in the delivery of the item are prohibited from signing and accepting an item on behalf of a beneficiary (i.e., acting as a designee on behalf of the beneficiary). The relationship of the designee to the beneficiary should be noted on the delivery slip obtained by the supplier (i.e., spouse, neighbor). The signature of the designee should be legible. If the signature of the designee is not legible, the supplier/shipping service should note the name of the designee on the delivery slip.

Suppliers may deliver directly to the beneficiary or the designee. An example of proof of delivery to a beneficiary is having a signed delivery slip, and it is recommended that the delivery slip include: 1) The patient's name; 2) The quantity delivered; 3) A detailed description of the item being delivered; 4) The brand name; and 5) The serial number. *The long description of the HCPCS code, for example, may be used as a means to provide a detailed description of the item being delivered; though suppliers are encouraged to include as much information as necessary to adequately describe the delivered item.* The date of signature on the delivery slip must be the date that the DMEPOS item was received by the beneficiary or designee. In instances where the supplies are delivered directly by the supplier, the date the beneficiary received the DMEPOS supply shall be the date of service on the claim.

If the supplier utilizes a shipping service or mail order, an example of proof of delivery would include the service's tracking slip, and the supplier's own shipping invoice. If possible, the supplier's records should also include the delivery service's package identification number for that package sent to the beneficiary. The shipping service's tracking slip should reference each individual package, the delivery address, the corresponding package identification number given by the shipping service, and if possible, the date delivered. If a supplier utilizes a shipping service or mail order, suppliers shall use the shipping date as the date of service on the claim.

Suppliers may also utilize a return postage-paid delivery invoice from the beneficiary or designee as a form of proof of delivery. The descriptive information concerning the DMEPOS item (i.e., the patient's name, the quantity, detailed description, brand name, and serial number) as well as the required signatures from either the beneficiary or the beneficiary's designee should be included on this invoice as well.

For DMEPOS products that are supplied as refills to the original order, suppliers must contact the beneficiary prior to dispensing the refill. This shall be done to ensure that the refilled item is necessary and to confirm any changes/modifications to the order. Contact with the beneficiary or designee regarding refills shall take place no sooner than 14 calendar days prior to the delivery/shipping date. For subsequent deliveries of refills, the supplier shall deliver the DMEPOS product no sooner than 10 calendar days prior to the end of usage for the current product. This is regardless of which delivery method is utilized. DME MACs shall allow for the processing of claims for refills delivered/shipped prior to the beneficiary exhausting his/her supply.

For those patients that are residents of a nursing facility, upon request from the DME MAC, suppliers should obtain copies of the necessary documentation from the nursing facility to document proof of delivery or usage by the beneficiary (e.g., nurse's notes).