

CMS Manual System Department of Health &  
Human Services (DHHS)  
Pub 100-08 Medicare Program Integrity Centers for Medicare &  
Medicaid Services (CMS)  
Transmittal 217 Date: JULY 13, 2007  
Change Request 5633

SUBJECT: Provider Enrollment Fraud Detection Program for High Risk Areas

I. SUMMARY OF CHANGES: This CR adds instructions for processing designated high risk enrollment areas.

NEW / REVISED MATERIAL

EFFECTIVE DATE: July 1, 2007

IMPLEMENTATION DATE: August 13, 2007

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

R/N/D CHAPTER / SECTION / SUBSECTION / TITLE

R 10/Table of Contents

R 10/20/Provider Enrollment Fraud Detection Program for High Risk Areas

N 10/20.1/Submission of Proposed Implementation Plan for High Risk Areas

III. FUNDING:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

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

Attachment - Business Requirements

Pub. 100-08 Transmittal: 217 Date: July 13, 2007 Change Request: 5633  
SUBJECT: Provider Enrollment Fraud Detection Program for High Risk Areas  
EFFECTIVE DATE: July 1, 2007  
IMPLEMENTATION DATE: August 13, 2007

I. GENERAL INFORMATION

A. Background: Certain enrollment patterns can be identified that indicate emerging or widespread anomalies that may lead to potential fraud and abuse. As a result, instructions are required to identify and take action in these high risk areas.

B. Policy: N/A

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number Requirement Responsibility (place an "X" in each applicable column)

A  
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D  
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C  
I F  
I  
S

S  
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C  
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5633.1 Program safeguard contractors (PSCs) shall identify potential enrollment patterns that may indicate a high risk area for fraud and abuse.

PSCs

5633.2 The PSCs, ACs and/or A/B MACs shall coordinate through the JOA (chapter 4, section 4.28, of the Program Integrity Manual) a process for communicating aberrant enrollment patterns and/or high risk areas identified by the PSC.

X X X X

PSCs

5633.3 After receiving information on the potential high risk areas the AC or the A/B MAC shall determine if the information is a high risk for provider/ supplier enrollment and, if so, provide a written request to the Director of the Division of Provider and Supplier Enrollment (DPSE), requesting approval that the area be designated as high risk. The request should include the name of the AC or the A/B MAC, a contact name, phone number

X X X X

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Number Requirement Responsibility (place an "X" in each applicable column)

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Maintainers  
OTHER

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and a justification for designating an area as high risk for fraud and abuse.

5633.4 The A/B MAC shall notify its project officer of their request for a designation as a high risk fraud and abuse area concurrent with the request for approval from the Director of DPSE.

X

5633.5 Upon obtaining approval of the designation as a high risk area the AC or the A/B MAC shall develop and submit to the Director of DPSE an implementation plan addressing the high risk issues uncovered. The A/B MAC shall work with its project officer to determine the specific support functions needed for ongoing and proposed project activities.

X X X X

5633.6 Once the implementation plan is approved the AC or the A/B MAC shall implement the proposed action. If the AC or the A/B MAC determines that a provider or supplier no longer meets Medicare enrollment standards the AC or A/B MAC shall follow procedures set forth in section 13, of chapter 10, of the Program Integrity Manual.

X X X X

### III. PROVIDER EDUCATION TABLE

Number Requirement Responsibility (place an "X" in each applicable column)

A  
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Maintainers  
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None.

IV. SUPPORTING INFORMATION

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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:

B. For all other recommendations and supporting information, use the space below:

V. CONTACTS

Pre-Implementation Contact(s): Allen Gillespie, 410-786-5996,  
Allen.Gillespie@cms.hhs.gov

Post-Implementation Contact(s): Allen Gillespie, 410-786-5996,  
Allen.Gillespie@cms.hhs.gov

VI. FUNDING

A. For TITLE XVIII Contractors, use only one of the following statements:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

B. For Medicare Administrative Contractors (MAC), use only one of the following statements:

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts specified 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.

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Medicare Program Integrity Manual  
Chapter 10 - Healthcare Provider/Supplier Enrollment

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(Rev.217, 07-13-07)

20.1 - Submission of Proposed Implementation Plan for High Risk Areas

10.20 - Provider Enrollment Fraud Detection Program for High Risk Areas

(Rev.217, Issued: 07-13-07, Effective: 07-01-07, Implementation: 08-13-07)

The PSCs shall identify an area as a potential high risk for provider/supplier enrollment and shall notify the A/B MACs and ACs, excluding the NSC, through the JOA process.

High risk areas may be identified by emerging or widespread anomalies that may lead to potential fraud and abuse in, for example, claim type, provider type and geographic area.

(See PIM chapter 4, §§4.32 and 4.32.1 for additional information concerning the responsibilities of the PSC.)

After receiving and reviewing the information on the potential high risk areas the AC or

the A/B MAC shall determine if the information is a high risk for provider/supplier

enrollment and, if so, provide a written request to the Director of the Division of

Provider and Supplier Enrollment (DPSE), requesting approval that the area be designated as high risk. The request should include the name of the AC or the A/B MAC,

a contact name, phone number and a justification for designating an area as high risk for fraud and abuse.

The A/B MAC shall notify its project officer of the request for designation as a high risk

fraud and abuse area concurrent with the A/B MAC's request for approval to the Director of DPSE.

10.20.1 - Submission of Proposed Implementation Plan for High Risk Areas

(Rev.217, Issued: 07-13-07, Effective: 07-01-07, Implementation: 08-13-07)

Upon obtaining approval from the Director of the DPSE within the Program Integrity

Group regarding the designation of a high risk area, the A/B MAC or AC shall submit,

for approval, an implementation plan that addresses the problems identified in the high

risk areas. The request shall include the name of the A/B MAC or AC, a contact name,

phone number, and a description of the proposed action plan.

The A/B MAC or AC shall propose an implementation plan that includes, but is not limited to, the following actions to remediate the identified problems in the high areas:

-Conduct revalidation activities;

-Conduct unannounced site visits;

-Expand verification and validation activities to include felony searches for individuals, owners, managing officials, and delegated officials;

-Establish a risk assessment for newly enrolled providers/suppliers.

The A/B shall work with its project officer in coordination with DPSE to determine the specific support functions needed for ongoing and proposed project activities.

If the A/B MAC or AC determines that a provider or supplier no longer meets Medicare enrollment standards, the MAC or AC shall follow the procedures set forth in section 13 of this chapter.

