

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-08 Medicare Program Integrity</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 415</b>	<b>Date: April 13, 2012</b>
	<b>Change Request 7797</b>

**SUBJECT: General Update to Chapter 15 of the Program Integrity Manual (PIM) - Part V**

**I. SUMMARY OF CHANGES:** The purpose of this CR is to continue the process of updating chapter 15 of the PIM.

**EFFECTIVE DATE: May 14, 2012**

**IMPLEMENTATION DATE: May 14, 2012**

*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-*Only One Per Row.*

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
R	15/Table of Contents
R	15/15.8/Application Returns, Rejections and Denials
R	15/15.8.1>Returns
R	15/15.8.2/Rejections
D	15/8.4.1/Denials for Incomplete Applications

**III. FUNDING:**

**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:**

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

**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

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**SUBJECT: General Update to Chapter 15 of the Program Integrity Manual (PIM) - Part V**

**EFFECTIVE DATE: May 14, 2012**

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## I. GENERAL INFORMATION

**A. Background:** This change request (CR) is the fifth in a series of transmittals designed to update chapter 15 of the PIM. The CR focuses on the return reasons in section 15.8.1 of chapter 15 and the rejection policies in section 15.8.2.

**B. Policy:** The purpose of this CR is to continue the process of updating chapter 15 of the PIM, with particular emphasis on the sections dealing with application returns and rejections.

## II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
		M A C	M A C		I E R	I S S	F S	M S	V S	C M S	W F
7797.1	<p><b>NOTE:</b> The contractor shall understand that it may return a Form CMS-855 submission only in the following instances: (1) the applicant sent its paper Form CMS-855 to the wrong contractor; (2) the contractor received the application more than 60 days prior to the effective date listed on the application (though this does not apply to: (a) providers and suppliers submitting a Form CMS-855A application, (b) ambulatory surgical centers (ASCs), or (c) portable x-ray suppliers (PXRSSs); (3) the contractor received an initial application from (a) a provider or supplier submitting a Form CMS-855A application, (b) an ASC, or (c) a PXRSS, more than 180 days prior to the effective date listed on the application; (4) an old owner or new owner in a CHOW submitted its application more than 90 days prior to the anticipated date of the sale (though this only applies to Form CMS-855A applications); (5) the contractor can confirm</p>	X		X	X	X					National Supplier Clearinghouse (NSC)

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	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	
	that the provider or supplier submitted an initial enrollment application prior to the expiration of the time period in which it is entitled to appeal the denial of its previously submitted application; (6) the provider or supplier submitted an initial application prior to the expiration of a re-enrollment bar; and (7) the application is not needed for the transaction in question.										
7797.2	If, under section 15.8.2 of chapter 15, a physician, non-physician practitioner, or physician or non-physician practitioner group fails to provide requested information regarding its Form CMS-855 submission within the designated timeframe, the contractor shall reject (rather than deny) the application.	X			X						

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	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	
7797.3	A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles/">http://www.cms.hhs.gov/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites 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 the Contractors next regularly scheduled	X		X	X	X					NSC

Number	Requirement	Responsibility (place an "X" in each applicable column)								
		A / B  M A C	D M E  M A C	F I  M A C	C A R I E R	R H H I	Shared-System Maintainers			
						F I S S	M C S	V M S	C W F	
	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.									

**IV. SUPPORTING INFORMATION**

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

*Use "Should" to denote a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:
	None

**Section B: For all other recommendations and supporting information, use this space: N/A**

**V. CONTACTS**

**Pre-Implementation Contact:**

Frank Whelan, [frank.whelan@cms.hhs.gov](mailto:frank.whelan@cms.hhs.gov), (410) 786-1302.

**Post-Implementation Contact(s):**

Contact your Contracting Officer’s Representative (COR) or Contractor Manager, as applicable.

**VI. FUNDING**

**Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or 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.

# Medicare Program Integrity Manual

## Chapter 15 - Medicare Enrollment

Table of Contents  
*(Rev 415, Issued: 04-13-12)*

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- 15.8 – *Application Returns, Rejections and Denials*
- 15.8.1 – *Returns*
- 15.8.2 - *Rejections*

## **15.8 – Application Returns, Rejections and Denials** (Rev. 415, Issued: 04-13-12, Effective: 05-14-12, Implementation: 05-14-12)

### **15.8.1 – Returns** (Rev. 415, Issued: 04-13-12, Effective: 05-14-12, Implementation: 05-14-12)

#### **A. Reasons for Return**

*Unless stated otherwise in this chapter or in another CMS directive, the contractor (including the National Supplier Clearinghouse) may immediately return the enrollment application to the provider or supplier only in the instances described below. This policy – again, unless stated otherwise in this chapter or in another CMS directive - applies to all applications identified in this chapter (e.g., initial applications, change requests, Form CMS-855O applications, Form CMS-588 submissions, change of ownership (CHOW) applications, revalidations, reactivations):*

- *The applicant sent its paper Form CMS-855 to the wrong contractor (e.g., the application was sent to Contractor X instead of Contractor Y).*
- *The contractor received the application more than 60 days prior to the effective date listed on the application. (This does not apply to: (1) providers and suppliers submitting a Form CMS-855A application, (2) ambulatory surgical centers (ASCs), or (3) portable x-ray suppliers (PXRSS).*
- *The contractor received an initial application from (1) a provider or supplier submitting a Form CMS-855A application, (2) an ASC, or (3) a PXRSS, more than 180 days prior to the effective date listed on the application.*
- *An old owner or new owner in a CHOW submitted its application more than 90 days prior to the anticipated date of the sale. (This only applies to Form CMS-855A applications.)*
- *The contractor can confirm that the provider or supplier submitted an initial enrollment application prior to the expiration of the time period in which it is entitled to appeal the denial of its previously submitted application.*
- *The provider or supplier submitted an initial application prior to the expiration of a re-enrollment bar.*
- *The application is not needed for the transaction in question. Two common examples include:*
  - *An enrolled physician wants to change his/her reassignment of benefits from one group to another group and submits a Form CMS-855I and a Form CMS-855R. As only the Form CMS-855R is needed, the Form CMS-855I shall be returned.*
  - *A physician who is already enrolled in Medicare submits a Form CMS-855O application, thinking that he must do so in order to refer services for Medicare beneficiaries.*



*The Form CMS-855O can be returned, as the physician is already enrolled via the Form CMS-855I.*

The contractor need not request additional information in any of *these* scenarios. *For instance, if the application is not necessary for the particular transaction, the contractor can return the application immediately. If an application fee has already been submitted, the contractor shall follow existing instructions regarding the return of the fee.*

The difference between a “rejected” application and a “returned” application *is that* the former is *typically* based on the provider’s failure to respond to the contractor’s request for missing or clarifying information. A “returned” application is *effectively* considered a non-application.

## **B. Procedures for Returning the Application**

If the contractor returns the application:

- It shall notify the provider via letter (*sent by mail or e-mail*) that the application is being returned, the reason(s) for the return, and how to reapply.
- It shall not enter the application into PECOS. No *logging & tracking (L & T)* record shall be created.
- Any application resubmission must contain a brand new certification statement page containing a signature and date. The provider cannot simply add its signature to the original certification statement it submitted. (*This does not apply to e-signature situations.*)
- *It shall return all paper documents submitted with the paper or Internet-based PECOS application (e.g., Form CMS-588, Form CMS-460). The contractor shall, however, make and keep a photocopy or scanned version of the paper application (if applicable) and any paper documents (regardless of whether the application was submitted via paper or electronically) prior to returning them.*

## **15.8.2 – Rejections**

***(Rev. 415, Issued: 04-13-12, Effective: 05-14-12, Implementation: 05-14-12)***

### ***A. Background***

In accordance with 42 CFR § 424.525(a)(1) and (2), *the contractor (including the National Supplier Clearinghouse) may reject the provider’s application if the provider fails to furnish complete information on the enrollment application - including all necessary documentation - within 30 calendar days from the date the contractor requested the missing information or documentation. For purposes of this policy, this includes situations in which the provider submitted an application that falls into one of the following categories and, upon the contractor’s request to submit a new or corrected complete application, the provider failed to do so within 30 days of the request:*

*(1) The Form CMS-855 or Internet-based Provider Enrollment, Chain and Ownership System (PECOS) certification statement: (1) is unsigned; (2) is undated; (3) contains a copied or stamped signature; or (4) for paper Form CMS-855I and Form CMS-855O submissions, someone other than the physician or non-physician practitioner signed the form.*

*(2) The submitted paper application is an outdated version of the Form CMS-855.*

*(3) The applicant failed to submit all of the forms needed to process a reassignment package within 15 calendar days of receipt.*

*(4) The Form CMS-855 was completed in pencil.*

*(5) The wrong application was submitted (e.g., a Form CMS-855B was submitted for Part A enrollment).*

*(6) If a Web-generated application is submitted, it does not appear to have been downloaded from CMS' Web site.*

*(7) The provider sent in its application or Internet-based PECOS certification statement via fax or e-mail when it was not otherwise permitted to do so.*

*(8) The provider failed to submit an application fee (if applicable to the situation).*

*The applications described in (1) through (8) above shall be developed, rather than returned. For instance, if the provider submits an application completed in pencil, the contractor shall request the provider to submit a new application, either in ink or via Internet-based PECOS.*

## ***B. Timeframe***

The 30-day clock identified in 42 CFR § 424.525(a) starts on the date that the contractor mails, faxes, or e-mails the pre-screening letter *or other request for information* to the provider. If the contractor makes a follow-up request for information, the 30-day clock does not start anew; rather, it keeps running from the date the pre-screening letter was sent. *However*, the contractor has the discretion to extend the 30-day time period if it determines that the provider or supplier is actively working with the contractor to resolve any outstanding issues.

## ***C. Incomplete Responses***

The provider must furnish all missing and clarifying data requested by the contractor within the applicable timeframe. If the provider furnishes some, but not all, of the requested *data*, *the* contractor is not required to contact the provider again to request *the remaining data*. It can simply reject the application at the expiration of the aforementioned 30-day period. *Consider the following examples:*

- The provider submits a Form CMS-855A in which section 3 is blank. On March 1, the contractor requests that section 3 be fully completed. On March 14, the provider submits a*

*completed section 3A. However, section 3B remains blank. The contractor need not make a second request for section 3B to be completed. It can reject the application on March 31, or 30 days after its initial request was made.*

- *The provider submits an outdated version of the Form CMS-855B. On July 1, the contractor requests that the provider resubmit its application using the current version of the Form CMS-855B. On July 15, the provider submits the correct version, but section 4B is blank. The contractor is not required to make a follow-up request regarding section 4B. It can reject the application on July 31.*

#### ***D. Creation of Logging & Tracking (L & T) Record***

*If the contractor cannot create an L & T record in PECOS because of missing data and the application is subsequently rejected, the contractor shall document the provider file accordingly. If the contractor is able to create an L & T record for a rejected application, it shall flip the status to “rejected” in PECOS.*

#### ***E. Additional Rejection Policies***

**1. Resubmission after Rejection** – If the provider’s application is rejected, the provider must complete and submit a new Form CMS-855 (*either via paper or Internet-based PECOS*) and all *necessary* documentation.

**2. Applicability** – Unless stated otherwise in this chapter *or in another CMS directive, this section 15.8.2 applies to all applications identified in this chapter (e.g., initial applications, change requests, Form CMS-855O applications, Form CMS-588 submissions, change of ownership (CHOW) applications, revalidations, reactivations).*

**3. Physicians and Non-Physician Practitioners** – *Prior CMS guidance instructed contractors to deny, rather than reject, incomplete applications submitted by physicians and certain non-physician practitioners. This policy no longer applies. Such applications shall be rejected if the physician or practitioner fails to provide the requested information within the designated timeframe.*

**4. Notice** – If the contractor rejects an application, it shall notify the provider via letter (*sent via mail or e-mail*) that the application is being rejected, the reason(s) for the rejection, and how to reapply. The contractor is free to keep the original application on file after rejection. If the provider requests a copy of its application, the contractor may fax it to the provider.