

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



Has Medicare sent you a notice to revalidate your enrollment? If you are not sure, you can find lists of providers sent notices to revalidate their Medicare enrollment by scrolling to the "Downloads" section at http://www.CMS.gov/MedicareProviderSupEnroll/11_Revalidations.asp on the Centers for Medicare & Medicaid Services (CMS) website. That site currently contains links to lists of providers sent notices from September 2011, through January 2012. Information on revalidation letters sent in February will be posted in late March. For ease of reference, the lists are in order by National Provider Identifier and the date the notice was sent.

MLN Matters® Number: MM7744

Related Change Request (CR) #: CR 7744

Related CR Release Date: April 20, 2012

Effective Date: May 20, 2012

Related CR Transmittal #: R208FM

Implementation Date: May 20, 2012

Overpayment Recovery from Suppliers of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

Note: This article was revised on June 6, 2014, to add a reference to MLN Matters® article MM8636 (<http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM8636.pdf>) to alert DMEPOS suppliers to the updated procedures that DME MACs will now follow in pursuing payment under a surety bond. All other information remains the same.

Provider Types Affected

This MLN Matters® Article is intended for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) suppliers that are required to obtain and maintain a surety bond as a condition of their enrollment in the Medicare program.

Provider Action Needed

This article is based on Change Request (CR) 7744, which outlines the procedures for the Centers for Medicare & Medicaid Services (CMS) and its DME Medicare Administrative

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Contractors (DME MACs) to make a claim against a DMEPOS supplier's surety bond. Be certain you are aware of this information.

Background

In order to enroll in and to remain enrolled in the Medicare program, DMEPOS suppliers must obtain and maintain a surety bond in the amount of \$50,000 (unless an elevated bond amount is required) under 42 Code of Federal Regulations (CFR) Section 424.57(d).

Key Points

According to 42 CFR Section 424.57(d), a surety must pay CMS, within 30 days of receiving written notice to do so, the amount of any unpaid claim, plus accrued interest, for which the DMEPOS supplier is responsible up to the full penal sum of the bond.

A surety is liable for any overpayments incurred during the term of the surety bond. This includes overpayment determinations made on or after the surety bond effective date. These overpayment determinations can relate to payments made on or after March 3, 2009.

Additional Information

The official instruction, CR7744, issued to your DME MAC regarding this change, may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R208FM.pdf> on the CMS website.

If you have any questions, please contact your DME MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

Medicare's surety bond requirements are summarized in detail in article MM6392 at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM6392.pdf> on the CMS website.

You may also want to review MM8039 (<http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM8039.pdf>) that alerts providers that for new enrollment or change of ownership enrollment applications, Medicare contractors may deny a Form CMS-855 enrollment application if the current owner of the provider or supplier has an existing overpayment that has not been repaid in full at the time an application for new enrollment or change of ownership is filed.

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