Prepayment Review and Prior Authorization Demonstration for Power Mobility Devices (PMD)

CMS Adopts Changes in Response to Industry Feedback

The Prepayment Review and Prior Authorization demonstration will implement prepayment review and prior authorization for PMDs in seven States (CA, FL, IL, MI, NY, NC, & TX). In Phase 1 of the demonstration, 100 percent pre-payment review of PMD claims will be conducted. Then, in Phase 2, a prior authorization approval will be required before a PMD claim can be submitted for full payment by Medicare.

In advance of the new PMD Demonstration, CMS held two extremely well attended "Open Door Forum" conference calls with hundreds of PMD suppliers as well as physicians and suppliers on December 2 and December 5. In addition, CMS held several conference calls and an in-person meeting with PMD suppliers in December.

During this outreach, many suppliers raised concerns about Phase 1 (prepayment review) of the demonstration including the length of time originally established to review the claims, assistance in understanding why a claim was denied, and the ability to submit all documentation at one time.

To address many of the concerns raised, ***CMS has made the following changes to this demonstration:***

Concern	**Phase I Process as Initially Announced**	**Revised Phase I Process**
Medicare contractors response time following receipt of last piece of documentation	Medicare contractors will review in 60 days	Medicare contractors will review in 20 days. The 20 days are counted from the date the last piece of documentation is received.
Volume of claims to be reviewed starting 1/1/2012	Medicare contractors begin 100% prepay review	Medicare contractors begin 100% prepay review when the 20 day review period timeframe can be met. Contractors will not request more claim records than they can review within 20 days.
Information Medicare contractors provide to suppliers about reasons for denial	Medicare contractors will use the current remittance indicator/note	Medicare contractors will issue a detailed denial letter noting why the claim is denied.
Allow suppliers to send medical records at the time a claim is submitted	Medicare contractors will not allow suppliers to submit documentation with a claim	Medicare contractors will allow suppliers to submit documentation with a claim, however if documentation is missing more documentation can be requested.

For more information about the CMS PMD Prior Authorization program, see go.cms.gov/PAdemo.