Transmittals for Chapter 15

15.1 – Introduction to Provider Enrollment
   15.1.1 - Definitions
   15.1.2 – Medicare Enrollment Application (Form CMS-855)
   15.1.3 – Medicare Contractor Duties

15.2 – Provider and Supplier Business Structures

15.3 – National Provider Identifier
   15.3.1 – NPI-Legacy Combinations
   15.3.2 – NPI Punctuation

15.4 – Provider and Supplier Types/Services
   15.4.1 – Certified Providers and Certified Suppliers That Enroll Via the Form CMS-855A
      15.4.1.1 – Community Mental Health Centers (CMHCs)
         15.4.1.1.1 – CMHC 40 Percent Rule
      15.4.1.2 – Comprehensive Outpatient Rehabilitation Facilities (CORFs)
      15.4.1.3 – End-Stage Renal Disease Facilities (ESRDs)
      15.4.1.4 – Federally Qualified Health Centers (FQHCs)
      15.4.1.5 - Histocompatibility Laboratories
      15.4.1.6 – Home Health Agencies (HHAs)
      15.4.1.7 - Hospices
      15.4.1.8 - Hospitals and Hospital Units
      15.4.1.9 - Indian Health Services (IHS) Facilities
      15.4.1.10 - Organ Procurement Organizations (OPOs)
      15.4.1.11 - Outpatient Physical Therapy/Outpatient Speech Pathology Services (OPT/OSP)
      15.4.1.12 - Religious Non-Medical Health Care Institutions (RNCHIs)
      15.4.1.13 - Rural Health Clinics (RHCs)
      15.4.1.14 - Skilled Nursing Facilities (SNFs)
15.4.2 – Certified Suppliers That Enroll Via the Form CMS-855B
   15.4.2.1 – Ambulatory Surgical Centers (ASCs)
   15.4.2.2 – CLIA Labs
   15.4.2.3 – Mammography Screening Centers
   15.4.2.4 – Pharmacies
   15.4.2.5 - Portable X-Ray Suppliers (PXRS)
   15.4.2.6 - Radiation Therapy Centers
   15.4.2.7 – Suppliers of Ambulance Services
   15.4.2.8 – Intensive Cardiac Rehabilitation (ICR)

15.4.3 – Medicare Advantage Plans and Other Managed Care Organizations

15.4.4 - Individual Practitioners
   15.4.4.1 - Anesthesiology Assistants
   15.4.4.2 - Audiologists
   15.4.4.3 - Certified Nurse-Midwives
   15.4.4.4 - Certified Registered Nurse Anesthetists
   15.4.4.5 - Clinical Nurse Specialists
   15.4.4.6 - Clinical Psychologists
   15.4.4.7 - Clinical Social Workers
   15.4.4.8 - Nurse Practitioners
   15.4.4.9 - Occupational Therapists in Private Practice
   15.4.4.10 - Physical Therapists in Private Practice
   15.4.4.11 - Physicians
   15.4.4.12 - Physician Assistants (PAs)
   15.4.4.13 - Psychologists Practicing Independently
   15.4.4.14 - Registered Dietitians
   15.4.4.15 – Speech Language Pathologists in Private Practice

15.4.5 - Manufacturers of Replacement Parts/Supplies for Prosthetic Implants or Implantable Durable Medical Equipment (DME) Surgically Inserted at an ASC

15.4.6 - Other Part B Services
   15.4.6.1 - Diabetes Self-Management Training (DSMT)
   15.4.6.2 - Mass Immunizers Who Roster Bill
   15.4.6.3 – Advanced Diagnostic Imaging

15.4.7 - Medicaid State Agencies
15.4.8 - Suppliers Not Eligible to Participate

15.5 – Sections of the Forms CMS-855A, CMS-855B, and CMS-855I

15.5.1 – Basic Information (Section 1 of the Form CMS-855)

15.5.2 – Identifying Information (Section 2 of the Form CMS-855)
   15.5.2.1 – Licenses and Certifications
   15.5.2.2 – Correspondence Address and E-mail Addresses
   15.5.2.3 – Accreditation
   15.5.2.4 – Section 2 of the Form CMS-855A
   15.5.2.5 – Section 2 of the Form CMS-855B
   15.5.2.6 – Section 2 of the Form CMS-855I

15.5.3 – Final Adverse Actions

15.5.4 – Practice Location Information
   15.5.4.1 – Section 4 of the Form CMS-855A
   15.5.4.2 – Section 4 of the Form CMS-855B
   15.5.4.3 – Section 4 of the Form CMS-855I

15.5.5 – Owning and Managing Organizations

15.5.6 – Owning and Managing Individuals
   15.5.6.1 – Tax Identification Numbers (TINs) of Owning and Managing Individuals and Organizations

15.5.7 – Chain Organizations

15.5.8 – Billing Agencies

15.5.9 – Reserved for Future Use

15.5.10 – Reserved for Future Use

15.5.11 – Reserved for Future Use

15.5.12 - Special Requirements for Home Health Agencies (HHAs)

15.5.13 – Contact Persons

15.5.14 – Reserved for Future Use

15.5.15 – Authorized Officials
   15.5.15.1 – Form CMS-855I Signatories
   15.5.15.2 – Form CMS-855A and Form CMS-855B Signatories

15.5.16 – Delegated Officials

15.5.17 – Supporting Documents

15.5.18 – Ambulance Attachment
15.5.19 – IDTF Attachment
  15.5.19.1 – Independent Diagnostic Testing Facility (IDTF) Standards
  15.5.19.2 – Multi-State Independent Diagnostic Testing Facilities (IDTFs)
  15.5.19.3 – Interpreting Physicians
  15.5.19.4 – Technicians
  15.5.19.5 – Supervising Physicians
  15.5.19.6 – Desk and Site Reviews
  15.5.19.7 – Special Procedures and Supplier Types

15.5.20 – Processing Form CMS-855R Applications
  15.5.20.1 – Inter-Jurisdictional Reassignments

15.6 - Timeliness and Accuracy Standards
  15.6.1 – Standards for Initial Applications
    15.6.1.1 – Paper Applications - Timeliness
      15.6.1.1.1 – Form CMS-855 Applications That Require a Site Visit
      15.6.1.1.2 – Form CMS-855 Applications That Do Not Require a Site Visit
    15.6.1.2 – Paper Applications - Accuracy
    15.6.1.3 – Web-Based Applications - Timeliness
      15.6.1.3.1 – Web-Based Applications That Require A Site Visit
      15.6.1.3.2 – Web-Based Applications That Do Not Require A Site Visit
    15.6.1.4 – Web-Based Applications - Accuracy
  15.6.2 – Standards for Changes of Information
    15.6.2.1 – Paper Applications - Timeliness
    15.6.2.2 – Paper Applications - Accuracy
    15.6.2.3 – Web-Based Applications - Timeliness
    15.6.2.4 – Web-Based Applications - Accuracy
  15.6.3 – General Timeliness Principles

15.7 – Application Review and Verification Activities
  15.7.1 – Receipt/Review of Application and Verification of Data
    15.7.1.1 – Receipt/Review of Paper Applications
15.7.1.2 – Receipt/Review of Internet-Based PECOS Applications
15.7.1.3 – Verification of Data/Processing Alternatives
   15.7.1.3.1 – Processing Alternatives – Form CMS-855B and Form CMS-855I
   15.7.1.3.2 – Processing Alternatives – Form CMS-855A
   15.7.1.3.3 – Processing Alternatives – Form CMS-855O
   15.7.1.3.4 – Processing Alternatives – Form CMS-855R
15.7.1.4 - Requesting Missing/Clarifying Data/Documentation
   15.7.1.4.1 – Paper Applications
   15.7.1.4.2 – Internet-Based PECOS Applications
   15.7.1.4.3 – General Principles – Paper and Internet-Based PECOS Applications
15.7.1.5 – Receiving Missing/Clarifying Data/Documentation
15.7.1.6 – Failure to Submit Requested Data/Documentation
   15.7.1.6.1 – Paper Applications
   15.7.1.6.2 – Internet-Based PECOS Applications
15.7.2 – Reserved for Future Use
15.7.3 - Documentation
15.7.4 – Tie-In Notices
15.7.5 – Special Program Integrity Procedures
   15.7.5.1 – Special Procedures for Physicians and Non-Physician Practitioners
15.7.6 – Special Processing Guidelines for Form CMS-855A, Form CMS-855B, Form CMS-855I and Form CMS-855R Applications
15.7.7 – Special Processing Guidelines for Form CMS-855A Applications
   15.7.7.1 - Changes of Ownership (CHOWs)
      15.7.7.1.1 - Definitions
      15.7.7.1.2 - Examining Whether a CHOW May Have Occurred
      15.7.7.1.3 - Processing CHOW Applications
      15.7.7.1.4 - Intervening Change of Ownership (CHOW)
      15.7.7.1.5 - Electronic Funds Transfer (EFT) Payments and CHOWs
      15.7.7.1.6 – Pre-Approval Changes of Information
15.7.7.2 - Tie-In/Tie-Out Notices and Referrals to the State/RO
15.7.7.2.1 – Processing Tie-In Notices/Approval Letters
15.7.7.3 - Reserved for Future Use
15.7.7.4 - State Surveys and the Form CMS-855A
15.7.7.5 - Sole Proprietorships
15.7.7.6 – Additional Form CMS-855A Processing Instructions
15.7.7.7 – Contractor Jurisdictional Issues
15.7.8 - Special Processing Guidelines for Independent CLIA Labs, Ambulatory Surgical Centers and Portable X-ray Suppliers
  15.7.8.1 - CLIA Labs
  15.7.8.2 - Ambulatory Surgical Centers (ASCs) and Portable X-ray Suppliers (PXRS) -Initial Enrollment
  15.7.8.3 - Ambulatory Surgical Center (ASCs)/Portable X-ray Supplier (PXRS) Changes of Ownership (CHOWs)
    15.7.8.3.1 – Examining Whether a CHOW May Have Occurred
    15.7.8.3.2 – Electronic Funds Transfer (EFT) Payments and CHOWs
  15.7.8.4 - Ambulatory Surgical Centers (ASCs)/Portable X-ray Suppliers (PXRS) Tie-In/Tie-Out Notices and Referrals to the State/RO
  15.7.8.5 - Reserved for Future Use
  15.7.8.6 - State Surveys and the Form CMS-855B
15.7.9 – Indirect Payment Procedure
  15.7.9.1 – Indirect Payment Procedure - Background
  15.7.9.2 – Submission of Registration Applications
  15.7.9.3 – Processing of Registration Applications
  15.7.9.4 – Disposition of Registration Applications
  15.7.9.5 – Revocation of Registration
  15.7.9.6 – Changes of Information and Other Registration Transactions
  15.7.9.7 – Registration Letters
15.8 – Application Returns, Rejections and Denials
  15.8.1 – Returns
  15.8.2 – Rejections
  15.8.3 – Reserved for Future Use
  15.8.4 – Denials
15.9 – Application Approvals
15.9.1 – Non-Certified Suppliers and Individual Practitioners
15.9.2 – Certified Providers and Certified Suppliers
15.9.3 - Approval of Suppliers of Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS)

15.10 – Changes of Information and Voluntary Terminations
15.10.1 – Changes of Information - General Procedures
   15.10.1.1 - Changes of Information and Complete Form CMS-855 Applications
   15.10.1.2 - Incomplete or Unverifiable Changes of Information
15.10.2 – Special Instructions for Certified Providers, ASCs, and Portable X-Ray Suppliers (PXRSs)
15.10.3 – Voluntary Terminations

15.11 – Electronic Funds Transfers (EFT)

15.12 – Reserved for Future Use

15.13 – Delinquent or Existing Overpayments

15.14 – Special Processing Situations
   15.14.1 – Non-CMS-855 Enrollment Activities
   15.14.2 – Contractor Communications
   15.14.3 – Provider-Based
   15.14.4 – Non-Participating Emergency Hospitals, Veterans Administration (VA) Hospitals, and Department of Defense (DOD) Hospitals
   15.14.5 – Form CMS-855B Applications Submitted by Hospitals
   15.14.6 – Participation (Par) Agreements and the Acceptance of Assignment
      15.14.6.1 – General Information
      15.14.6.2 – PECOS Information
   15.14.7 – Opt-Out
   15.14.8 – Assignment of Part B Provider Transaction Access Numbers (PTANs)

15.15 – Internet-based PECOS Applications

15.16 – Ordering/Certifying Suppliers Who Do Not Have Medicare Billing Privileges
   15.16.1 – Ordering/Certifying Suppliers – Background
   15.16.2 – Processing Initial Form CMS-855O Submissions
   15.16.3 – Processing Form CMS-855O Change of Information Requests
   15.16.4 – Form CMS-855O Revocations
   15.16.5 – Conversion from Form CMS-855O to Form CMS-855I – PECOS
Requirements
15.17 – Establishing an Effective Date of Medicare Billing Privileges
   15.17.1 - Effective Date for Certified Providers and Certified Suppliers
15.18 – Ordering and Certifying Documentation - Maintenance Requirements
15.19 – Application Fees and Additional Screening Requirements
   15.19.1 – Application Fees
   15.19.2 – Screening Categories
      15.19.2.1 – Background
      15.19.2.2 – Scope of Site Visit
      15.19.2.3 – Changes of Information and Ownership
      15.19.2.4 – Reactivations
      15.19.2.5 - Movement of Providers and Suppliers into the High Level
   15.19.3 – Temporary Moratoria
   15.19.4 - Tracking
15.20 – Onsite Inspections and Site Verifications
   15.20.1 – Site Verifications
   15.20.2 – Reserved for Future Use
   15.20.3 – National Supplier Clearinghouse (NSC)
15.21 - Special Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Instructions
   15.21.1 - DMEPOS Supplier Accreditation
      15.21.1.1 – Compliance Standards for Pharmacy Accreditation
   15.21.2 - Enrolling Indian Health Service (IHS) Facilities as DMEPOS Suppliers
   15.21.3 – Reserved for Future Use
   15.21.4 – Development and Use of Fraud Level Indicators
      15.21.4.1 - Fraud Prevention and Detection
   15.21.5 – Alert Codes
   15.21.6 - Reserved for Future Use
   15.21.7 – Surety Bonds
      15.21.7.1 – Claims against Surety Bonds
         15.21.7.1.1 – Model Letters for Claims against Surety Bonds
15.22 – Customer Service/Outreach
15.22.1 - Web Sites
15.22.2 - Provider Enrollment Inquiries

15.23 – Document Retention
15.23.1 – Security
15.23.2 - Release of Information
15.23.3 – File Maintenance

15.24 – Model Letter Guidance
15.24.1 – Model Acknowledgement Letter
   15.24.1.1 – Acknowledgement Letter Example
15.24.2 –Development Letter Guidance
   15.24.2.1 – Model Development Letter
15.24.3 – Model Rejection Letter
15.24.4 – Model Returned Application Letter
15.24.5 – Model Revalidation Letters
   15.24.5.1 – Model Revalidation Letter – CHOW Scenario Only
   15.24.5.2 – Model Large Group Revalidation Notification Letter
   15.24.5.3 – Model Revalidation Pend Letter
   15.24.5.4 – Model Revalidation Deactivation Letter
15.24.6 – Model Approval Recommended Letters
   15.24.6.1 – Initial Enrollments Requiring Referral to the State
   15.24.6.2 – Initial Enrollments Requiring Direct Referral to the Regional Office (Including Federally Qualified Health Centers)
   15.24.6.3 – Changes of Information
   15.24.6.3.1 – Changes of Information Requiring Referral to the State
   15.24.6.3.2 – Changes of Information Requiring Direct Referral to the Regional Office
   15.24.6.4 – Potential Changes of Ownership Under the Principles of §489.18
   15.24.6.4.1 – Potential Changes of Ownership Under the Principles of §489.18 - Referral to the State Required
   15.24.6.4.2 – Potential Changes of Ownership Under the Principles of §489.18 – Direct Referral to the Regional Office Required
15.24.7 – Approval Letter Guidance
   15.24.7.1- Model Approval Letter
15.24.8 – Denial Letter Guidance
15.24.8.1 – Model Denial Letter
15.24.8.2 – Denial Example #1 – Discipline Not Eligible
15.24.8.3 – Denial Example #2 – Criteria for Eligible Discipline Not Met
15.24.8.4 – Denial Example #3 – Provider Standards Not Met
15.24.8.5 – Denial Example #4 – Business Type Not Met
15.24.8.6 – Denial Example #5 – Existing or Delinquent Overpayments

15.24.9 – Revocation Letter Guidance
15.24.9.1 – Model Revocation Letter for Part B Suppliers and Certified Providers and Suppliers
15.24.9.2 – Model Revocation Letter for National Supplier Clearinghouse (NSC)
15.24.9.3 – Revocation Example #1 – Abuse of Billing
15.24.9.4 – Revocation Example #2 – DMEPOS supplier revocation

15.24.10 – Reconsideration Guidance
15.24.10.1 – Model Reconsideration Letter
15.24.10.2 – Favorable Corrective Action Plan (CAP)/Reconsideration Decision – Denials
15.24.10.3 – Favorable Corrective Action Plan (CAP)/Reconsideration Decision – Revocations
15.24.10.4 – Unfavorable Corrective Action Plan (CAP)/Reconsideration Decision – Denials
15.24.10.5 – Unfavorable Corrective Action Plan (CAP)/Reconsideration Decision – Revocations

15.24.11 – Reconsideration Example

15.24.12 – Model Identity Theft Prevention Letter
15.24.13 – Identity Theft Prevention Example

15.24.14 – Model Documentation Request Letter

15.25 – Appeals Process
15.25.1 – Appeals Involving Non-Certified Suppliers
  15.25.1.1 – Corrective Action Plans (CAPs)
  15.25.1.2 – Reconsideration Requests – Non-Certified Providers/Suppliers
  15.25.1.3 – Additional Appeal Levels
15.25.2 – Appeals Involving Non-Certified Suppliers and Certified Suppliers
  15.25.2.1 – Corrective Action Plans (CAPs)
15.25.2.2 – Reconsideration Requests – Certified Providers and Certified Suppliers
15.25.2.3 – Additional Appeal Levels

15.26 – Special Provisions for HHAs
15.26.1 – HHA Ownership Changes
15.26.2 - Capitalization
15.26.3 – Additional Home Health Agency (HHA) Review Activities

15.27 – Deactivations and Revocations
15.27.1 - Deactivations and Reactivations
15.27.1.1 – Deactivations
15.27.1.2 – Reactivations
15.27.1.2.1 – Reactivations - Deactivation for Reasons Other Than Non-Submission of a Claim
15.27.1.2.2 – Reactivations - Deactivation for Non-Submission of a Claim
15.27.1.2.3 – Reactivations – Miscellaneous Policies
15.27.2 - Revocations
15.27.3 - Other Identified Revocations
15.27.4 - External Reporting Requirements

15.28 – Deceased Practitioners

15.29 – Provider and Supplier Revalidations
15.29.1 – Revalidation Lists
15.29.2 – Mailing Revalidation Letters
15.29.3 – Non-Response to Revalidation Actions
15.29.3.1 – Phone Calls
15.29.3.2 – Pend Status
15.29.3.3 – Deactivation Actions
15.29.4 - Receipt of Revalidation Application
15.29.4.1 – Revalidation Received and Development Required
15.29.4.2 – Revalidation Received after a Pend is Applied
15.29.4.3 – Revalidation Received after a Deactivation Occurs
15.29.4.4 – Change of Information Received after Revalidation Letter Mailed
15.29.5 – Revalidating Providers Involved in a Change of Ownership (CHOW)
15.29.6 – Reserved for Future Use
15.29.7 – Large Group Revalidation Coordination
15.29.8 – Finalizing the Revalidation Application
15.29.9 – Revalidation Reporting
15.29.10 - Revalidation Files on CMS.gov
15.1 – Introduction to Provider Enrollment

This chapter specifies the resources and procedures Medicare fee-for-service contractors must use to establish and maintain provider and supplier enrollment in the Medicare program. These procedures apply to carriers, fiscal intermediaries, Medicare administrative contractors and the National Supplier Clearinghouse (NSC), unless contract specifications state otherwise.

No provider or supplier shall receive payment for services furnished to a Medicare beneficiary unless the provider or supplier is enrolled in the Medicare program. Further, it is essential that each provider and supplier enroll with the appropriate Medicare fee-for-service contractor.

15.1.1 – Definitions

Below is a list of terms commonly used in the Medicare enrollment process:

Accredited provider/supplier means a supplier that has been accredited by a CMS-designated accreditation organization.

Advanced diagnostic imaging service means any of the following diagnostic services:

(i) Magnetic Resonance Imaging (MRI).
(ii) Computed Tomography (CT).
(iii) Nuclear Medicine.
(iv) Positron Emission Tomography (PET).

Applicant means the individual (practitioner/supplier) or organization who is seeking enrollment into the Medicare program.

Approve/Approval means the enrolling provider or supplier has been determined to be eligible under Medicare rules and regulations to receive a Medicare billing number and be granted Medicare billing privileges.

Authorized official means an appointed official (e.g., chief executive officer, chief financial officer, general partner, chairman of the board, or direct owner) to whom the organization has granted the legal authority to enroll it in the Medicare program, to make changes or updates to the organization’s status in the Medicare program, and to commit the organization to fully abide by the statutes, regulations, and program instructions of the Medicare program.

Billing agency means an entity that furnishes billing and collection services on behalf of a provider or supplier. A billing agency is not enrolled in the Medicare program. A billing agency submits claims to Medicare in the name and billing number of the
provider or supplier that furnished the service or services. In order to receive payment
directly from Medicare on behalf of a provider or supplier, a billing agency must meet
the conditions described in § 1842(b)(6)(D) of the Social Security Act. (For further
information, see CMS Publication 100-04, chapter 1, section 30.2.4.)

Change in majority ownership occurs when an individual or organization acquires more
than a 50 percent direct ownership interest in a home health agency (HHA) during the
36 months following the HHA’s initial enrollment into the Medicare program or the 36
months following the HHA’s most recent change in majority ownership (including asset
sales, stock transfers, mergers, or consolidations). This includes an individual or
organization that acquires majority ownership in an HHA through the cumulative effect
of asset sales, stock transfers, consolidations, or mergers during the 36-month period
after Medicare billing privileges are conveyed or the 36-month period following the
HHA’s most recent change in majority ownership.

Change of ownership (CHOW) is defined in 42 CFR §489.18 (a) and generally means,
in the case of a partnership, the removal, addition, or substitution of a partner, unless
the partners expressly agree otherwise, as permitted by applicable State law. In the case
of a corporation, the term generally means the merger of the provider corporation into
another corporation, or the consolidation of two or more corporations, resulting in the
creation of a new corporation. The transfer of corporate stock or the merger of another
corporation into the provider corporation does not constitute a change of ownership.

CMS-approved accreditation organization means an accreditation organization
designated by CMS to perform the accreditation functions specified.

Deactivate means that the provider or supplier’s billing privileges were stopped, but can
be restored upon the submission of updated information.

Delegated official means an individual who is delegated by the “Authorized Official”
the authority to report changes and updates to the provider/supplier’s enrollment record.
The delegated official must be an individual with an ownership or control interest in (as
that term is defined in section 1124(a)(3) of the Social Security Act), or be a W-2
managing employee of, the provider or supplier.

Deny/Denial means the enrolling provider or supplier has been determined to be
ineligible to receive Medicare billing privileges.

Enroll/Enrollment means the process that Medicare uses to establish eligibility to
submit claims for Medicare-covered items and services, and the process that Medicare
uses to establish eligibility to order or certify Medicare-covered items and services.

Enrollment application means a paper CMS-855 enrollment application or the
equivalent electronic enrollment process approved by the Office of Management and
Budget (OMB).
Final adverse action means one or more of the following actions:

(i) A Medicare-imposed revocation of any Medicare billing privileges;

(ii) Suspension or revocation of a license to provide health care by any State licensing authority;

(iii) Revocation or suspension by an accreditation organization;

(iv) A conviction of a Federal or State felony offense (as defined in §424.535(a)(3)(i)) within the last 10 years preceding enrollment, revalidation, or re-enrollment; or

(v) An exclusion or debarment from participation in a Federal or State health care program.

Immediate family member or member of a physician's immediate family means – under 42 CFR § 411.351 - a husband or wife; birth or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild.

Institutional provider means – for purposes of the Medicare application fee only - any provider or supplier that submits a paper Medicare enrollment application using the Form CMS–855A, Form CMS–855B (not including physician and non-physician practitioner organizations), Form CMS–855S or associated Internet-based Provider Enrollment, Chain and Ownership System (PECOS) enrollment application.

Legal business name is the name that is reported to the Internal Revenue Service (IRS).

Managing employee means a general manager, business manager, administrator, director, or other individual that exercises operational or managerial control over, or who directly or indirectly conducts, the day-to-day operation of the provider or supplier, either under contract or through some other arrangement, whether or not the individual is a W-2 employee of the provider or supplier.

Medicare identification number - For Part A providers, the Medicare Identification Number (MIN) is the CMS Certification Number (CCN). For Part B suppliers other than suppliers of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS), the MIN is the Provider Identification Number (PIN). For DMEPOS suppliers, the MIN is the number issued to the supplier by the NSC. (Note that for Part B and DMEPOS suppliers, the Medicare Identification Number may sometimes be referred to as the Provider Transaction Access Number (PTAN).)

National Provider Identifier is the standard unique health identifier for health care providers (including Medicare suppliers) and is assigned by the National Plan and
Provider Enumeration System (NPPES).

**Operational** – under 42 CFR §424.502 – means that the provider or supplier has a qualified physical practice location; is open to the public for the purpose of providing health care related services; is prepared to submit valid Medicare claims; and is properly staffed, equipped, and stocked (as applicable, based on the type of facility or organization, provider or supplier specialty, or the services or items being rendered) to furnish these items or services.

**Owner** means any individual or entity that has any partnership interest in, or that has 5 percent or more direct or indirect ownership of, the provider or supplier as defined in sections 1124 and 1124(A) of the Social Security Act.

**Ownership or investment interest** – under 42 CFR § 411.354(b) – means an ownership or investment interest in the entity that may be through equity, debt, or other means, and includes an interest in an entity that holds an ownership or investment interest in any entity that furnishes designated health services.

**Physician** means a doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, or a chiropractor, as defined in section 1861(r) of the Social Security Act.

**Physician-owned hospital** – under 42 CFR § 489.3 – means any participating hospital in which a physician, or an immediate family member of a physician, has a direct or indirect ownership or investment interest, regardless of the percentage of that interest.

**Physician owner or investor** – under 42 CFR § 411.362(a) – means a physician (or an immediate family member) with a direct or an indirect ownership or investment interest in the hospital.

**Prospective provider** means any entity specified in the definition of “provider” in 42 CFR §498.2 that seeks to be approved for coverage of its services by Medicare.

**Prospective supplier** means any entity specified in the definition of “supplier” in 42 CFR §405.802 that seeks to be approved for coverage of its services under Medicare.

**Provider** is defined at 42 CFR §400.202 and generally means a hospital, critical access hospital, skilled nursing facility, comprehensive outpatient rehabilitation facility, home health agency or hospice, that has in effect an agreement to participate in Medicare; or a clinic, rehabilitation agency, or public health agency that has in effect a similar agreement but only to furnish outpatient physical therapy or speech pathology services; or a community mental health center that has in effect a similar agreement but only to furnish partial hospitalization services.

**Reassignment** means that an individual physician, non-physician practitioner, or other supplier has granted a Medicare-enrolled provider or supplier the right to receive
payment for the physician’s, non-physician practitioner’s or other supplier’s services. (For further information, see § 1842(b)(6) of the Social Security Act, the Medicare regulations at 42 CFR §§424.70 - 424.90, and CMS Publication 100-04, chapter 1, sections 30.2 – 30.2.16.)

Reject/Rejected means that the provider or supplier’s enrollment application was not processed due to incomplete information or that additional information or corrected information was not received from the provider or supplier in a timely manner.

Revoke/Revocation means that the provider or supplier’s billing privileges are terminated.

Supplier is defined in 42 CFR § 400.202 and means a physician or other practitioner, or an entity other than a provider that furnishes health care services under Medicare.

Tax identification number means the number (either the Social Security Number (SSN) or Employer Identification Number (EIN)) that the individual or organization uses to report tax information to the IRS.

15.1.2 – Medicare Enrollment Application (Form CMS-855) (Rev. 412, Issued: 03-30-12, Effective: 04-30-12, Implementation: 04-30-12)

Providers and suppliers, including physicians, may enroll or update their Medicare enrollment record using the:

- Internet-based Provider Enrollment, Chain and Ownership System (PECOS), or
- Paper enrollment application process (e.g., Form CMS-855I).

The Medicare enrollment applications are issued by CMS and approved by the Office of Management and Budget.

The five enrollment applications are distinguished as follows:

- CMS-855I - This application should be completed by physicians and non-physician practitioners who render Medicare Part B services to beneficiaries. (This includes a physician or practitioner who: (1) is the sole owner of a professional corporation, professional association, or limited liability company, and (2) will bill Medicare through this business entity.)

- CMS-855R - An individual who renders Medicare Part B services and seeks to reassign his or her benefits to an eligible entity should complete this form for each entity eligible to receive reassigned benefits. The individual must be enrolled in the Medicare program as an individual prior to reassigning his or her benefits.
CMS-855B - This application should be completed by supplier organizations (e.g., ambulance companies) that will bill Medicare for Part B services furnished to Medicare beneficiaries. It is not used to enroll individuals.

CMS-855A - This application should be completed by institutional providers (e.g., hospitals) that will furnish Medicare Part A services to beneficiaries.

CMS-855S – This application should be completed by suppliers of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS). The National Supplier Clearinghouse (NSC) is responsible for processing this type of enrollment application.

A separate application must be submitted for each provider/supplier type.

When a prospective provider or supplier contacts the contractor to obtain a paper enrollment Form CMS-855, the contractor shall encourage the provider or supplier to submit the application using Internet-based PECOS. The contractor shall also notify the provider or supplier of:

- The CMS Web site at which information on Internet-based PECOS can be found and at which the paper applications can be accessed (www.cms.hhs.gov/MedicareProviderSupEnroll).

- Any supporting documentation required for the applicant's provider/supplier type.

- Other required forms, including:
  - The Electronic Funds Transfer Authorization Agreement (Form CMS-588) (Note: The NSC is only required to collect the Form CMS-588 with initial enrollment applications.)
  - The Electronic Data Interchange agreement (Note: This does not apply to the NSC.)
  - The Medicare Participating Physician or Supplier Agreement (Form CMS-460). The contractor shall explain to the provider or supplier the purpose of the agreement and how it differs from the actual enrollment process. (This only applies to suppliers that complete the Forms CMS-855B and CMS-855I.)

- The contractor’s address so that the applicant knows where to return the completed application.

- If the applicant is a certified supplier or certified provider, the need to contact the State agency for any State-specific forms and to begin preparations for a State survey. (This does not apply for those certified entities, such as federally qualified...
health centers, that do not receive a State survey.) The notification can be given in any manner the contractor chooses.

15.1.3 – Medicare Contractor Duties  
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

The contractor shall adhere to all of the instructions in this chapter 15 (hereafter generally referred to as “this chapter”) and all other CMS provider enrollment directives (e.g., Technical Direction letters). The contractor shall also assign the appropriate number of staff to the Medicare enrollment function to ensure that all such instructions and directives - including application processing timeframes and accuracy standards - are complied with and met.

A. Training

The contractor shall provide (1) training to new employees, and (2) refresher training (as necessary) to existing employees to ensure that each employee processes enrollment applications in a timely, consistent, and accurate manner. Training shall include, at a minimum:

- An overview of the Medicare program
- A review of all applicable regulations, manual instructions, and other CMS guidance
- A review of the contractor’s enrollment processes and procedures
- Training regarding the Provider Enrollment, Chain and Ownership System (PECOS).

For new employees, the contractor shall also:

- Provide side-by-side training with an experienced provider enrollment analyst
- Test the new employee to ensure that he or she understands Medicare enrollment policy and contractor processing procedures, including the use of PECOS
- Conduct end-of-line quality reviews for 6 months after training or until the analyst demonstrates a clear understanding of Medicare enrollment policy, contractor procedures, and the proper use of PECOS.

B. PECOS

The contractor shall:
- Process all enrollment actions (e.g., initials, changes, revalidations) through PECOS
- Deactivate or revoke the provider or supplier’s Medicare billing privileges in the Multi-Carrier System or the Fiscal Intermediary Shared System only if the provider or supplier is not in PECOS
- Close or delete any aged logging and tracking (L & T) records older than 120 days for which there is no associated enrollment application
- Participate in user acceptance testing for each PECOS release
- Attend scheduled PECOS training when requested
- Report PECOS validation and production processing problems through the designated tracking system for each system release
- Develop (and update as needed) a written training guide for new and current employees on the proper processing of Form CMS-855 applications and the appropriate entry of data into PECOS.

C. Validation and Processing

The contractor shall:

- Review the application to determine whether it is complete and that all information and supporting documentation required for the applicant's provider/supplier type has been submitted on and with the appropriate enrollment application. Unless stated otherwise in this chapter or in another CMS directive, the provider must complete all required data elements on the Form CMS-855 via the application itself.
- Unless stated otherwise in this chapter or in another CMS directive, verify and validate all information collected on the enrollment application
- Coordinate with State survey/certification agencies and regional offices (ROs), as needed
- Collect and maintain the application's certification statement (in house) to verify and validate Electronic Funds Transfer (EFT) changes in accordance with the instructions in this chapter and all other CMS directives.
- Confirm that the applicant, all individuals and entities listed on the application, and any names or entities ascertained through other sources, are not presently excluded from the Medicare program by the HHS Office of the Inspector General (OIG) or through the System for Award Management.
D. Customer Service

Excluding matters pertaining to application processing (e.g., development for missing data) and appeals (e.g., appeal of revocation), the contractor is encouraged to respond to all enrollment-related provider/supplier correspondence (e.g., e-mails, letters, telephone calls) within 30 business days of receipt.

15.2 – Provider and Supplier Business Structures
(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

This section explains the legalities of various types of business organizations that may enroll, including sole proprietorships. Note that the provider’s organizational structure can have a significant impact on the type of information it must furnish on the Form CMS-855.

Business organizations are generally governed by State law. Thus, State X may have slightly different rules than State Y regarding certain entities. (In fact, X may permit the creation of certain types of legal entities that Y does not.) The discussion below gives only a broad overview of the principal types of business entities and does not take into account different State nuances.

Since CMS issues a 1099 based on an enrolled entity’s business structure, providers and suppliers should consult with their accountant or legal advisor to ensure that they are establishing the correct business structure.

A. Sole Proprietorships

A business is a sole proprietorship if it meets all of the following criteria:

- It files a Schedule C (1040) with the IRS (this form reports the business’s profits/losses);
- One person owns all of the business’s assets; and
- It is not incorporated.

A sole proprietorship is not a corporation. Suppose a physician operates his/her business as a home health agency. If he/she incorporates his/her business, the business becomes a corporation (even though the physician is the only stockholder). Thus, the frequently used term “unincorporated sole proprietorship” is a misnomer because sole proprietorships by definition are unincorporated. In addition, merely because the sole proprietor hires employees does not mean that the business is no longer a sole proprietorship. Assume that W is a sole proprietor and he hires X, Y, and Z as employees. W’s business is still a sole proprietorship because he remains the 100% owner of the business. If, however, W had sold parts of his sole proprietorship to X, Y, and Z, the business would no longer be a sole proprietorship, as there is now more than...
one owner.

Note that professional associations (PAs) are generally not considered to be sole proprietorships; the PA designation is typically used in States that do not allow individuals to incorporate and form professional corporations. The PA will have its own Employer Identification Number and is considered, like a professional corporation, to be a legal entity that is separate and distinct from the individual.

B. Partnerships

A partnership is an association of two or more persons/entities who carry on a business for profit. Each partner in a partnership is an owner. If A and B form the “Y Partnership” and each contributes $50,000 to start up the business, each partner owns one-half of Y.

In several respects, a partnership is the opposite of a corporation:

- Each partner is liable for all the debts of the partnership. Using the example above, suppose the Y Partnership breached a contract it had with X, who now sues for $10,000. Since each partner is liable for all debts, X can collect the entire $10,000 from A, or from B, or $5,000 from each, etc. This is because, unlike a corporation, a partnership is not really a separate and distinct entity from its partners/owners; the partners are the partnership. If Y had been a corporation, the owners (A and B) would likely have been shielded from liability.

- There is no “double taxation” with partnerships. The partnership itself does not pay taxes, although each partner pays taxes on any income he/she earns from the business.

- Unlike a corporation, a partnership generally does not file papers with the State upon its creation (i.e., it does not file the equivalent of articles of incorporation). Instead, a partnership has a “partnership agreement,” which amounts to a contract between the partners outlining duties, responsibilities, powers, etc.

- Each partner has the right to participate in running the business’s day-to-day operations, unless the partnership agreement dictates otherwise.

An alternative type of partnership is a limited partnership (as opposed to a “general partnership,” described above). While possessing many of the characteristics of a general partnership, there are some key differences. First, a limited partnership (LP) must file formal documents with the State. Second, a LP has two types of partners – general and limited. The general partner(s) runs the business, yet is personally responsible for all of the LP’s debts. Conversely, the limited partner(s) has limited liability yet cannot participate in the management of the business.

C. Limited Liability Companies (LLC)
A limited liability company (LLC) is a legal entity that is neither a partnership nor a corporation, but has characteristics of both. Its owners have limited liability (just like stockholders in a corporation). Also, the LLC does not pay Federal taxes (similar to a partnership), although its owners – usually referred to as “members” - must pay taxes on any dividends they earn. An LLC thus contains the best attributes of corporations and partnerships; LLCs are therefore rapidly gaining in popularity.

An LLC should not be confused with a limited liability corporation, which is a type of corporation in some States. A limited liability company is not a corporation or partnership, but a distinct legal entity created and regulated by special State statutes.

Note that certain Form CMS-855 information is required of different entities. The primary example of this is in section 6. If the provider is a corporation, it must list its officers and directors on the form. Partnerships and LLCs, on the other hand, do not have officers or directors and thus need not list them.

D. Joint Ventures

A joint venture is when two or more persons/entities combine efforts in a business enterprise and agree to share profits and losses. It is very similar to a partnership, and is treated as a partnership for tax purposes. The key difference is that a partnership is an ongoing business, while a joint venture is a temporary, one-time business undertaking. A joint venture, therefore, can be classified as a “temporary partnership.”

E. Corporations

A corporation is an entity that is separate and distinct from its owners (called stockholders, or shareholders). To form a corporation, various documents – such as articles of incorporation – must be filed with the State in which the business will incorporate. The key elements of a corporation are:

- Limited Liability – This is the main reason for a business’s decision to operate as a corporation. Suppose Corporation X has ten stockholders, each owning 10% of the business. X breached a contract it had with Company Y, which now wants to sue X’s owners. Unfortunately for Y, it can generally only sue X itself; it cannot sue X’s shareholders. The corporation’s owners are essentially shielded from liability for the actions of the corporation because, as stated above, a corporation is separate and distinct from its owners.

Despite the concept of limited liability, there may be instances where a corporation’s owners/stockholders can be held personally liable for the corporation’s debts. This is known as “piercing the corporate veil,” whereby one tries to get past the brick wall of the corporation in order to collect from the owners behind that wall. However, piercing the corporate veil is a difficult thing to do and many courts are unwilling to allow it, meaning that plaintiffs can only collect from the corporation itself.
• “Double” Taxation – This is the principal reason for a business’s decision not to be a corporation. “Double” taxation means that: (1) the corporation itself must pay taxes, AND (2) each shareholder must pay taxes on any dividends he/she receives from the business.

• Board of Directors – Most corporations are run by a governing body, typically called a Board of Directors.

Two special types of corporations that contractors may encounter are:

• “Professional Corporation” or “PC.” In general, a PC (1) is organized for the sole purpose of rendering professional services (such as medical or legal), and (2) all stockholders in a PC must be licensed to render such services. Thus, if A, B and C want to form a physician practice (each is a 1/3 stockholder) and only A is a medical professional, a PC probably cannot be formed (depending, of course, on what the applicable State PC statute says). In addition, the title of a PC will usually end in “PC,” “PA” (Professional Association) or “Chartered.”

• “Close” Corporation (or “closely-held” corporation) – This is a type of corporation with a very limited number of stockholders. Unlike a “regular” corporation, the entity’s board of directors generally does not run the business; rather, the shareholders do. The stock is typically not sold to outsiders.

Although PCs and close corporations (CCs) are considered “corporations” for enrollment purposes, State laws governing these entities are often different from those that govern “regular” corporations (i.e., States have separate statutes for “regular” corporations and for PCs/CCs.) In many cases, an entity must specifically elect to be a PC or CC when filing its paperwork with the State.

F. Non-Profit Organizations

The term “non-profit organization” (NPO) is misleading. It does not signify an organization that is forbidden to make a profit. Rather, it means that all of the organization’s profits are put back into the entity to promote its goals, which are usually political, social, religious, or charitable in nature. In other words, an NPO is not organized primarily for profit, but instead to further some other goal. An entity can acquire NPO status by obtaining a 501(c)(3) certification from the IRS (meaning it is tax-exempt) or by acquiring such status from the State in which it is located.

The NPO status is important for enrollment purposes because NPOs generally do not have owners. Thus, a NPO need not list any owners in sections 5 or 6 of the Form CMS-855.

G. Government-Owned Entities
For purposes of enrollment, a government-owned entity (GOE) exists when a particular government body (e.g., Federal, State, city or county agency) will be legally and financially responsible for Medicare payments received. For example, suppose Smith County operates Hospital X. Medicare overpaid X $100,000 last year. If Smith County is the party responsible for reimbursing Medicare this amount, X is considered a government-owned entity.

Note that:

- GOEs do not have “owners.” Thus, section 5 of the Form CMS-855 need only contain the name of the government body in question. Using our example above, this would be Smith County.

- For section 6 of the Form CMS-855, the only people that must be listed are “managing employees.” This is because GOEs do not have corporate officers or directors.

The provider must submit a letter from the government body certifying that the government entity will be responsible for any Medicare payments.

15.3 – National Provider Identifier (NPI)
(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

A. Submission of NPI

Every provider that submits an enrollment application must furnish its NPI(s) in the applicable section(s) of the Form CMS-855. The provider need not submit a copy of the NPI notification it received from the National Plan and Provider Enumeration System (NPPES) unless the contractor requests it to do so. Similarly, if the provider obtained its NPI via the Electronic File Interchange (EFI) mechanism, the provider need not submit a copy of the notification it received from its EFI Organization (EFIO) unless the contractor requests it to do so. (The notification from the EFIO will be in the form of a letter or e-mail.) If the contractor requests paper documentation of a provider’s NPI, the contractor may accept a copy of the provider’s NPI Registry’s Details Page in lieu of a copy of the NPI notification. The Details Page contains more information than is contained on the NPI notification, and providers may be able to furnish NPI Registry Details Pages more quickly than copies of their NPI notifications.

The aforementioned requirement to list all applicable NPIs on the Form CMS-855 applies to all applications. (The only exceptions to this involve voluntary terminations, deactivations, deceased providers, and change of ownership (CHOW) applications submitted by the old owner. NPIs are not required in these instances.) Thus, for instance, if a reassignment package is submitted, the NPIs for all involved individuals and entities must be furnished; even if an individual is reassigning benefits to an enrolled group, the group’s NPI must be furnished on the Form CMS-855R.
NOTE: The National Supplier Clearinghouse (NSC) shall obtain the NPPES notification from the applicant or verify the NPI and the Type of NPI (i.e., Type 1 or Type 2) through the NPI Registry.

B. Additional NPI Information

If a provider submits an NPI notice to the contractor as a stand-alone document (i.e., no Form CMS-855 was submitted), the contractor shall not create a logging & tracking (L & T) record in PECOS for the purpose of entering the NPI. The contractor shall simply place the notice in the provider file. The contractor shall only enter NPI data into PECOS that is submitted in conjunction with a Form CMS-855 (e.g., initial, change request). Thus, if a provider submits a Form CMS-855 change of information that only reports the provider’s newly assigned NPI, or reports multiple NPIs that need to be associated with a single Medicare identification number, the contractor may treat this as a change request and enter the data into PECOS.

C. Subparts - General

The contractor shall review and become familiar with the principles outlined in the “Medicare Expectations Subpart Paper,” the text of which follows below. It was originally issued in January 2006 and has since been slightly updated to reflect certain changes in Medicare terminology.

CMS encourages all providers to obtain NPIs in a manner similar to how they receive CMS Certification Numbers (CCNs) (i.e., a “one-to-one relationship”). For instance, suppose a home health agency is enrolling in Medicare. It has a branch as a practice location. The main provider and the branch will typically receive separate (albeit very similar) CCNs. It would be advisable for the provider to obtain an NPI for the main provider and another one for the branch – that is, one NPI for each CCN.

D. Medicare Subparts Paper - Text

MEDICARE EXPECTATIONS ON DETERMINATION OF SUBPARTS BY MEDICARE ORGANIZATION HEALTH CARE PROVIDERS WHO ARE COVERED ENTITIES UNDER HIPAA

Purpose of this Paper

Medicare assigns unique identification numbers to its enrolled health care providers. They are used to identify the enrolled health care providers in the HIPAA standard transactions that they conduct with Medicare (such as electronic claims, remittance advices, eligibility inquiries/responses, claim status inquiries/responses, and coordination of benefits) and in cost reports and other non-standard transactions.
This paper is a reference for Medicare contractors. It reflects the Medicare program’s expectations on how its enrolled organization health care providers that are covered entities under HIPAA will determine subparts and obtain NPIs for themselves and any subparts. These expectations may change over time to correspond with any changes in Medicare statutes, regulations, or policies that affect Medicare provider enrollment.

These expectations are based on the NPI Final Rule, on statutory and regulatory requirements with which Medicare must comply, and on policies that are documented in Medicare operating manuals and other directives. These Medicare statutes, regulations and policies pertain to conditions for provider participation in Medicare, enrollment of health care providers in Medicare and assignment of identification numbers for billing and other purposes, submission of cost reports, calculation of payment amounts, and the reimbursement of enrolled providers for services furnished to Medicare beneficiaries.

This paper categorizes Medicare’s enrolled organization health care providers as follows:

- Certified providers and certified suppliers
- Supplier groups and supplier organizations
- Suppliers of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS)

This paper is not intended to serve as official HHS guidance to the industry in determining subparts for any covered health care providers other than those that are organizations and are enrolled in the Medicare program. This paper does not address health care providers who are enrolled in Medicare as individual practitioners. These practitioners are Individuals (such as physicians, physician assistants, nurse practitioners, and others, including health care providers who are sole proprietors). In terms of NPI assignment, an Individual is an Entity Type 1 (Individual) and is eligible for a single NPI. As Individuals, these health care providers cannot be subparts and cannot designate subparts. A sole proprietorship is a form of business in which one person owns all of the assets of the business and the sole proprietor is solely liable for all the debts of the business. There is no difference between a sole proprietor and a sole proprietorship. In terms of NPI assignment, a sole proprietor/sole proprietorship is an Entity Type 1 (Individual) and is eligible for a single NPI. As an Individual, a sole proprietor/sole proprietorship cannot have subparts and cannot designate subparts.

Discussion of Subparts in the NPI Final Rule and its Applicability to Enrolled Medicare Organization Health Care Providers

1 Covered entities under HIPAA are health plans, health care clearinghouses, and those health care providers who transmit any health information in electronic form in connection with a health transaction for which the Secretary of HHS has adopted a standard (referred to in this paper as HIPAA standard transactions). Most Medicare Organization health care providers send electronic claims to Medicare (they are HIPAA standard transactions), making them covered health care providers (covered entities).
The NPI Final Rule adopted the National Provider Identifier (NPI) as the standard unique health identifier for health care providers for use in HIPAA standard transactions. On or before May 23, 2007, all HIPAA covered entities (except small health plans), to include enrolled Medicare providers and suppliers that are covered entities, were required to obtain NPIs and to use their NPIs to identify themselves as “health care providers” in the HIPAA standard transactions that they conduct with Medicare and other covered entities. Covered organization health care providers are responsible for determining if they have “subparts” that need to have NPIs. If such subparts exist, the covered organization health care provider must ensure that the subparts obtain their own unique NPIs, or they must obtain them for them.

The NPI Final Rule contains guidance for covered organization health care providers in determining subparts. Subpart determination is necessary to ensure that entities within a covered organization health care provider that need to be uniquely identified in HIPAA standard transactions obtain NPIs for that purpose.

The following statements apply to all entities that could be considered subparts:

- A subpart is not itself a separate legal entity, but is a part of a covered organization health care provider that is a legal entity. (All covered entities under HIPAA are legal entities.)

- A subpart furnishes health care as defined at 45 CFR § 160.103.

The following statements may relate to some or all of the entities that a Medicare covered organization health care provider could consider as subparts:

- A subpart may or may not be located at the same location as the covered organization health care provider of which it is a part.

- A subpart may or may not have a Taxonomy (Medicare specialty) that is the same as the covered organization health care provider of which it is a part.

- Federal statutes or regulations pertaining to requirements for the unique identification of enrolled Medicare providers may relate to entities that could be considered subparts according to the discussion in the NPI Final Rule. Medicare covered organization health care providers must take any such statutes or regulations into account to ensure that, if Medicare providers are uniquely identified now by using Medicare identifiers in HIPAA standard transactions, they obtain NPIs in order to ensure they can continue to be uniquely identified. Medicare is transitioning from the provider identifiers it currently uses in HIPAA standard transactions (for organizations, these could be CCNs, Provider Transaction Access Numbers (PTANs), or NSC Numbers—known as legacy identifiers or legacy numbers) to NPIs. This makes it necessary that Medicare organization health care providers obtain NPIs because the NPIs have replaced the identifiers currently in use in standard transactions with Medicare and with all other health plans. In addition, Medicare organization health
care providers must determine if they have subparts that need to be uniquely identified for Medicare purposes (for example, in HIPAA standard transactions conducted with Medicare). If that is the case, the subparts will need to have their own unique NPIs so that they can continue to be uniquely identified in those transactions.

- A subpart that conducts any of the HIPAA standard transactions separately from the covered organization health care provider of which it is a part must have its own unique NPI.

Enrolled Medicare organization health care providers that are covered entities under HIPAA must apply for NPIs as Organizations (Entity Type 2). Organization health care providers as discussed in this paper are corporations or partnerships or other types of businesses that are considered separate from an individual by the State in which they exist. Subparts of such organization health care providers who apply for NPIs are also Organizations (Entity Type 2).

Medicare Statutes, Regulations, Manuals

The Social Security Act (sections 1814, 1815, 1819, 1834, 1861, 1865, 1866, and 1891) and Federal regulations (including those at 42 CFR 400.202, 400.203, 403.720, 405.2100, 409.100, 410.2, 412.20, 416.1, 418.1, 424, 482.1, 482.60, 482.66, 483, 484, 485, 486, 489, 491, and 493.12) establish, among other things, the Conditions for Participation for Medicare providers and set requirements by which Medicare enrolls providers, requires cost reports, calculates reimbursement, and makes payments to its providers. These Medicare statutory and regulatory requirements are further clarified in various Medicare operating manuals, such as the State Operations Manual and the Program Integrity Manual, in which requirements and policies concerning the assignment of unique identification numbers, for billing and other purposes, are stated.

Medicare Organization Providers and Subparts: Certified Providers and Certified Suppliers

Existing Medicare laws and regulations do not establish requirements concerning the assignment of unique identification numbers to Medicare certified providers and certified suppliers for billing purposes.

Certified Providers that bill Medicare Part A (hereinafter referred to as “providers”):

- Providers apply for Medicare enrollment by completing a Form CMS-855A.

- Most providers are surveyed and certified by the States3 prior to being approved as Medicare providers.

2 Clinical laboratory certification is handled by the Food and Drug Administration.
3 Religious non-medical health care institutions are handled differently.
• Providers have in effect an agreement to participate in Medicare.

• Providers include, but are not limited to: skilled nursing facilities, hospitals, critical access hospitals, home health agencies, rehabilitation agencies (outpatient physical therapy, speech therapy), comprehensive outpatient rehabilitation facilities, hospices, community mental health centers, religious non-medical health care institutions.

• Providers are assigned CCNs to identify themselves in Medicare claims and other transactions, including cost reports for those providers that are required to file Medicare cost reports.

• In general, each entity that is surveyed and certified by a State is separately enrolled in Medicare and is considered a Medicare provider. (One exception involves home health agency branches. The branches are not separately enrolled Medicare providers.) In many cases, the enrolled provider is not itself a separate legal entity; i.e., it is an entity that is a part of an enrolled provider that is a legal entity and is, for purposes of the NPI Final Rule, considered to be a subpart.

**Certified Suppliers, which bill Medicare Part B:**

• Certified suppliers apply for Medicare enrollment by completing a Form CMS-855A or CMS-855B, depending on the supplier type.

• Certified suppliers include ambulatory surgical centers, portable x-ray suppliers, independent clinical labs (CLIA labs), rural health centers, and federally qualified health centers.

• Certified suppliers are typically surveyed and certified by the States prior to being approved for enrollment as Medicare certified suppliers. (For CLIA labs, each practice location at which lab tests are performed must obtain a separate CLIA Certificate for that location, though there are a few exceptions to this.)

• Certified suppliers may have in effect an agreement to participate in Medicare.

• Certified suppliers are assigned CCNs for purposes of identification within Medicare processes. However, the contractors assign unique identification numbers to certain certified suppliers for billing purposes. (For CLIA labs, a CLIA number is typically assigned to each practice location for which a CLIA certificate is issued. A CLIA number may not be used to identify a clinical laboratory as a “health care

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4 Community mental health centers attest to such an agreement. Religious non-medical health care institutions are handled differently.

5 Hospitals bill Medicare Part B for certain types of services.
provider” in HIPAA standard transactions. The CLIA number has no relation to the Medicare PTAN.)

- In many cases, the enrolled certified supplier is not itself a separate legal entity; i.e., it is an entity that is a part of an enrolled provider or certified supplier that is a legal entity and is, for purposes of the NPI Final Rule, considered to be a subpart.

In general, Medicare bases its enrollment of providers and certified suppliers on two main factors: (1) whether a separate State certification or survey is required, and (2) whether a separate provider or certified supplier agreement is needed. (The Taxpayer Identification Number, or TIN, is a consideration as well, though not to the degree of the two main factors.) The CMS regional offices generally make the final determinations on both of these factors; hence, Medicare provider and certified supplier enrollment policy is dictated to a significant degree by the CMS regional offices’ decisions in particular cases.

**Medicare Expectations for NPI Assignments for Providers and Certified Suppliers:** To help ensure that Medicare providers and certified suppliers do not experience denials of claims or delays in Medicare claims processing or reimbursement, Medicare encourages each of its enrolled providers and certified suppliers to obtain its own unique NPI. These NPIs have replaced the legacy numbers that are used today in HIPAA standard transactions and in other transactions, such as cost reports. In order for subpart determinations to mirror Medicare enrollment, each enrolled provider and certified supplier that is a covered organization health care provider should:

- Obtain its own unique NPI.

- Determine if it has any subparts that are themselves enrolled Medicare providers. If there are subparts, ensure that they obtain their own unique NPIs, or obtain the NPIs for them. Example: An enrolled provider (a hospital) owns 10 home health agencies, all operating under the TIN of the hospital. Because the hospital and each of the 10 home health agencies is separately surveyed and enters into its own provider agreement with Medicare, a total of 11 unique NPIs should be obtained: one for the hospital, and one for each of the 10 home health agencies.

Regardless of how an enrolled provider or certified supplier that is a covered organization health care provider determines subparts (if any) and obtains NPIs (for itself or for any of its subparts, if they exist), Medicare payments, by law, may be made only to an enrolled provider or certified supplier.

**Medicare Organization Providers and Subparts:**

**Supplier Groups and Supplier Organizations**

Existing Medicare laws and regulations do not establish requirements concerning the assignment of unique identification numbers to supplier groups and supplier organizations for billing purposes.
Supplier groups and supplier organizations apply for Medicare enrollment by completing a Form CMS-855B.

Supplier groups and supplier organizations bill Medicare Part B.

Certain supplier organizations are certified by the States, certified by the Food and Drug Administration (FDA), or must undergo an on-site inspection by the contractor. These requirements vary by type of supplier organization.

Supplier groups are primarily group practices, such as a group of physicians or other practitioners.

Supplier organizations include ambulance companies, mammography facilities, and independent diagnostic testing facilities (IDTFs).

Medicare enrolls supplier groups/supplier organizations based on TINs. A supplier group or supplier organization may have multiple locations; however, if each location operates under the same single TIN, Medicare does not separately enroll each location. There are exceptions:

1. When there is more than one Medicare specialty code associated with a single TIN. For instance, if a physician group practice is also an IDTF, it has two different Medicare specialties. The supplier group (the physician group practice) must enroll as a group and the supplier organization (the IDTF) must enroll as a supplier organization. The group practice would complete a Form CMS-855B and the IDTF would complete a Form CMS-855B. Each one would receive its own unique Medicare identification number.

2. If a separate site visit, State certification, or on-site inspection by the contractor or if FDA certification is required for each practice location of that supplier group/supplier organization.

In these above exceptions, Medicare separately enrolls each different Medicare specialty and each separately visited, certified or contractor-inspected practice location.

**Medicare Expectations for NPI Assignments for Supplier Groups and Supplier Organizations:** To help ensure that Medicare supplier groups and supplier organizations do not experience delays in Medicare claims processing or reimbursement, Medicare encourages each of its enrolled supplier groups and supplier organizations to obtain its own unique NPI. These NPIs have replaced the legacy numbers that are used today in HIPAA standard transactions and in other transactions, such as cost reports. In order for subpart determinations to mirror Medicare enrollment, each enrolled supplier group and supplier organization that is a covered organization health care provider should ensure the following:
• Obtain its own unique NPI.

• Determine if it has any subparts that are themselves enrolled Medicare providers. If there are subparts, ensure that they obtain their own unique NPIs, or obtain the NPIs for them.

EXAMPLE: An enrolled IDTF has four different locations, and each one must be separately inspected by the contractor. All four locations operate under a single TIN. Because each location is separately inspected in order to enroll in Medicare, a total of four unique NPIs should be obtained: one for each location.

Regardless of how an enrolled supplier group or supplier organization that is a covered organization health care provider determines subparts (if any) and obtains NPIs (for itself or for any of its subparts, if they exist), Medicare payments, by law, may be made only to an enrolled supplier group or supplier organization.

**Medicare Organization Providers and Subparts:**
**DMEPOS Suppliers**

Medicare regulations require that each practice location of a supplier of DMEPOS (if it has more than one) must, by law, be separately enrolled in Medicare and have its own unique Medicare identification number.

• A supplier of DMEPOS enrolls in Medicare through the National Supplier Clearinghouse (NSC) by completing a Form CMS-855S.

• Suppliers of DMEPOS bill Durable Medical Equipment Medicare Administrative Contractors (DME MACs).

• Suppliers of DMEPOS include but are not limited to pharmacies, oxygen suppliers, and outpatient physical therapy agencies. (Any organization that sells equipment or supplies that are billed to Medicare through the DME MAC must be enrolled as a supplier of DMEPOS through the NSC. Sometimes, these are organizations that also furnish services that are covered by Medicare, such as ambulatory surgical centers. In order to be reimbursed for the DME supplies that they sell, they must separately enroll in Medicare as a supplier of DME.)

**Medicare Expectations for NPI Assignments for Suppliers of DMEPOS:** Each enrolled supplier of DMEPOS that is a covered entity under HIPAA must designate each practice location (if it has more than one) as a subpart and ensure that each subpart obtains its own unique NPI.

**Final Notes About NPIs**

**Enrolled organization health care providers or subparts that bill more than one Medicare contractor:** An enrolled organization health care provider or subpart is
expected to use a single (the same) NPI when billing more than one Medicare contractor. For example, a physician group practice billing Contractor X and also billing Contractor Y would use a single (the same) NPI to bill both contractors.

**Enrolled organization health care providers or subparts that bill more than one type of Medicare contractor:** Generally, the type of service being reported on a Medicare claim determines the type of Medicare contractor that processes the claim. Medicare will expect an enrolled organization health care provider or subpart to use a single (the same) NPI when billing more than one type of Medicare contractor. However, in certain situations, Medicare requires that the organization health care provider (or possibly even a subpart) enroll in Medicare as more than one type of provider. For example, an ambulatory surgical center enrolls in Medicare as a certified supplier and bills a Part A/B Medicare Administrative Contractor (A/B MAC). If the ambulatory surgical center also sells durable medical equipment, it must also enroll in Medicare as a Supplier of DME and bill a DME MAC. This ambulatory surgical center would obtain a single NPI and use it to bill the A/B MAC and the DME MAC. Medicare expects that this ambulatory surgical center would report two different Taxonomies when it applies for its NPI: (1) that of ambulatory health care facility—clinic/center--ambulatory surgical (261QA1903X) and (2) that of suppliers—durable medical equipment & medical supplies (332B00000X) or the appropriate sub-specialization under the 332B00000X specialization.

**Enrolled organization health care providers that determine subparts for reasons unrelated to Medicare statutes, regulations or policies:**

Consistent with the NPI Final Rule, covered organization health care providers designate subparts for reasons that are not necessarily related to Medicare statutes or regulations. If a Medicare organization health care provider designates as subparts entities other than those that are enrolled Medicare providers, and those subparts obtain their own NPIs and use those NPIs to identify themselves in HIPAA standard transactions with Medicare, those NPIs will not identify enrolled Medicare providers. Medicare is not required to enroll them. (NPI Final Rule, page 3441: “If an organization health care provider consists of subparts that are identified with their own unique NPIs, a health plan may decide to enroll none, one, or a limited number of them (and to use only the NPIs of the one(s) it enroll(s)).”)

Medicare uses NPIs to identify health care providers and subparts in HIPAA standard transactions. (NPI Final Rule, page 3469: section 162.412(a): “A health plan must use the NPI of any health care provider (or subpart(s), if applicable) that has been assigned an NPI to identify that health care provider on all standard transactions where that health care provider’s identifier is required.”) Medicare ensures that the NPIs it receives in HIPAA standard transactions are valid. Medicare rejects HIPAA standard transactions that contain invalid NPIs. Valid NPIs, however, like the provider identifiers used today, must be “known” to Medicare. Medicare is not permitted to

6 The check-digit algorithm will determine the validity of an NPI. This is not the same as knowing the health care provider being identified by a particular NPI.
make payments for services rendered by non-Medicare providers7, nor is it permitted to reimburse providers that are not enrolled in the Medicare program. Medicare returns, with appropriate messages, any HIPAA standard transactions containing valid but unrecognizable NPIs.

15.3.1 – NPI-Legacy Combinations
(Rev. 414, Issued: 04-06-12, Effective: 05-07-12, Implementation: 05-07-12)

If the contractor determines that a provider is having claim payment issues due solely to an incorrect NPI-Provider Transaction Access Number (PTAN) combination or NPI-CMS Certification Number (CCN) combination entered into the Provider Enrollment, Chain and Ownership System (PECOS), the contractor shall request that the provider submit the correct NPI-legacy combination via a Form CMS-855 change of information. The change request can be faxed, although the contractor shall verify the faxed signature against the provider’s or authorized official’s signature on file before any changes are made in PECOS.

The contractor shall not use this process to resolve any enrollment issue other than the correction of the NPI-legacy identifier combination. Moreover, the contractor shall not use this process for providers that have not submitted a complete Form CMS-855 enrollment application during or after May 2006. For instance, assume a provider first enrolled in Medicare in December 2005 and has not submitted a complete enrollment application after that date. The provider would be unable to utilize the process described in this section.

15.3.2 – NPI Punctuation

PECOS and NPPES allow for the entry of punctuation and certain special characters in the provider’s Legal Business Name (LBN). Examples of acceptable punctuation and special characters are ampersands, apostrophes, commas, hyphens, left and right parentheses, periods, pound signs, and quotation marks.

When punctuation or special characters are part of a provider’s LBN as shown on the IRS CP-575, the punctuation or special characters should also appear in the LBN in NPPES and the LBN in PECOS. However, the contractor may use its discretion with respect to accepting a match between NPPES and PECOS if a comma or a period is the only discrepancy between the LBN in NPPES and the LBN in PECOS. The contractor should not delay processing a provider’s Medicare enrollment application by requiring the provider to change its LBN in NPPES in order to conform to a discrepancy related to punctuation and/or special character.

Examples of LBN Matches and Non-Matches and Actions to Be Taken

7 There may be exceptions for emergency or very unusual situations.
<table>
<thead>
<tr>
<th>NPPES LBN</th>
<th>PECOS LBN</th>
<th>Exact Match</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Systems, Inc.</td>
<td>HEALTH SYSTEMS, INC.</td>
<td>Yes, this is an exact match.</td>
</tr>
<tr>
<td>Quality Care, Incorporated</td>
<td>Quality Care, Inc.</td>
<td>No, this is not an exact match (because of the abbreviation ‘Inc.’ in the PECOS LBN). In this case, the contractor may accept the match since both versions are an accurate match (e.g., Incorporated or Inc; Limited Liability Company or LLC; etc.)</td>
</tr>
<tr>
<td>Health &amp; Rehabilitation, Inc.</td>
<td>Health and Rehabilitation Inc.</td>
<td>No, this is not an exact match (because the ampersand and ‘and’ do not match). In this case, the contractor shall refer to the IRS CP-575. If the ampersand is displayed on the IRS CP-575, the Medicare contractor may accept the match. If the ampersand is not present and the word ‘and’ is present, the Medicare contractor shall ask the provider to correct its NPPES information. The provider must change its LBN in NPPES to read in accordance with the IRS CP-575.</td>
</tr>
<tr>
<td>Allergy &amp; Asthma, Inc.</td>
<td>Allergy &amp; Asthma, INC.</td>
<td>Yes, this is an exact match. Upper and lower cases do not affect a match.</td>
</tr>
<tr>
<td>Foot-Ankle, LLC</td>
<td>Foot Ankle LLC</td>
<td>No, this is not an exact match (because the hyphen is in one LBN but not in the other). In this case, the contractor shall refer to the IRS CP-575. If the hyphen is displayed on the IRS CP-575, the contractor may accept the match. If the hyphen is not present, the contractor shall ask the provider to correct its NPPES information. The</td>
</tr>
<tr>
<td>Provider Name</td>
<td>NPPES Displayed</td>
<td>Action Required</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Rehab and Health, Inc.</td>
<td>Rehabilitation and Health, Inc.</td>
<td>No, this is not an exact match (because ‘Rehab’ and ‘Rehabilitation are different words). In this case, the contractor should refer to the IRS CP-575. If the LBN ‘Rehab and Health, Inc.’ is displayed on the IRS CP-575, the contractor may accept the match. If ‘Rehabilitation and Health, Inc.’ is present, the contractor should ask the provider to correct its NPPES information. The provider must change its LBN in NPPES to read in accordance with the IRS CP-575.</td>
</tr>
</tbody>
</table>

Many enrolled providers may actually be subparts of other enrolled providers, and some of those subparts entered their “doing business as name” as their LBN when applying for their NPIs. Once a contractor determines for certain that this situation exists, the contractor shall ask the provider to correct its NPPES information. The provider can (1) change its LBN in NPPES to read in accordance with the IRS CP-575, and (2) report its “doing business as” name in NPPES as an “Other Name” and indicate the type of other name as a “doing business as” name.

15.4 – Provider and Supplier Types/Services
(Rev. 462, Issued: 05-16-13 Effective: 03-18-13, Implementation: 03-18-13)

The contractor shall consult other Medicare manuals for more information on how these providers and suppliers bill Medicare, their conditions of coverage, their conditions of participation, etc.

Provider and supplier specialty codes can be found at Publication 100-04, chapter 26, sections 10.8 through 10.8.3.

15.4.1 – Certified Providers and Certified Suppliers That Enroll Via the Form CMS-855A
(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

15.4.1.1 - Community Mental Health Centers (CMHCs)
A. General Background Information

A community mental health center (CMHC) is a facility that provides mental health services. A CMHC must perform certain “core services.” These are:

1. **Outpatient services** (This includes services for (1) children, (2) the elderly, (3) persons who are chronically mentally ill, and (4) certain persons who have been discharged from a mental health facility for inpatient treatment.)

2. **24-hour-a-day emergency psychiatric services**;

3. **Day treatment** or other **partial hospitalization (PH) services**, or psychosocial rehabilitation services; and

4. **Screening** for patients being considered for admission to State mental health facilities.

**NOTE:** Partial hospitalization is the only core service for which a CMHC can bill Medicare as a CMHC. Thus, while a facility must furnish certain “core” services in order to qualify as a CMHC, it can only get reimbursed for one of them – partial hospitalization. However, the facility may still be able to enroll in Medicare as a Part B clinic if it does not perform partial hospitalization services.

In some instances, these core services can be furnished under arrangement. This generally means that the facility can arrange for another facility to perform the service if, among other things, CMS determines that the following conditions are met:

- The CMHC arranging for the particular service is authorized by State law to perform the service itself;

- The arranging CMHC accepts full legal responsibility for the service; and

- There is a written agreement between the two entities.

While the CMHC generally has the option to furnish services under arrangement, there is actually an instance where the facility must do so. If the CMHC is located in a State that prohibits CMHCs from furnishing screening services (service #4 above), it must contract with another entity to have the latter perform the services. Any such arrangement must be approved by the regional office (RO). (See Pub. 100-07, State Operations Manual (SOM), chapter 2, section 2250, for additional information on core services and arrangements.)

A CMHC must provide mental health services principally to individuals who reside in a defined geographic area (service area); that is, it must service a distinct and definable
community. A CMHC (or CMHC site) that operates outside of this specific community must – unless the RO holds otherwise - have a separate provider agreement/number and enrollment, and must individually meet all Medicare requirements.

B. Initial Enrollment and Certification

1. Policy through October 28, 2014

Unlike most certified providers and certified suppliers, CMHCs are not surveyed by the State agency to determine the CMHC’s compliance with Medicare laws (although the State may do a survey to verify compliance with State laws). Instead, the RO (or CMS-contracted personnel) will perform a site visit. The RO will not approve the CMHC unless the latter demonstrates that it is furnishing the core services to a sufficient number of patients. In addition, CMS reserves the right to request at any time documentation from the CMHC verifying the provision of core services.

If the RO or CMS-contracted personnel plans to perform a site visit of an existing, enrolled CMHC, the contractor shall furnish all background information that the RO requests. All inquiries and correspondence relating to the site visit shall be directed to the RO.

Prior to making a recommendation for approval, the contractor shall ensure that the provider has submitted a completed and signed CMHC attestation statement. If the CMHC cannot submit one, the contractor shall deny the application. (The attestation requirement also applies to new owners in a CHOW.) The CMHC attestation statement typically serves as the provider agreement.

If the contractor issues a recommendation for approval, it shall send a copy of the Form CMS-855A to the State agency (or, for contractors in RO 9, the contractor’s RO) with its recommendation. The contractor shall also contact the appropriate RO to initiate a site visit of the CMHC applicant; a copy of this request should be sent to the State agency.

2. Conditions of Participation

Effective October 29, 2014, CMHCs will be required to meet the conditions of participation outlined in 42 CFR Part 485, subpart J. CMHCs, like many other types of certified providers and certified suppliers, will therefore be required to undergo a State survey as part of the certification and enrollment process. The RO will no longer be performing the site visit discussed in section (B)(1) nor will be above-referenced attestation statement be required. Except as otherwise noted in this chapter 15 or in another CMS directive, CMHC initial applications shall – on and after October 29, 2014 - be processed in the same manner as those for all other certified providers.

C. Post-Tie-In Notice Site Visit
The contractor shall order a site visit through the Provider Enrollment, Chain and Ownership System (PECOS) after the contractor receives the tie-in notice (or approval letter) from the RO but before the contractor conveys Medicare billing privileges to the CMHC. This is to ensure that the provider is still in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The National Site Visit Contractor (NSVC) will perform the site visit. The contractor shall not convey Medicare billing privileges to the provider prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

D. Revalidations

If the CMHC submits a Form CMS-855A revalidation application, the contractor shall order a site visit through PECOS. This is to ensure that the provider is still in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The NSVC will perform the site visit. The contractor shall not make a final decision regarding the revalidation application prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

E. Practice Locations/Alternative Sites

A CMHC must list in Section 4 of its Form CMS-855A all alternative sites where core services are provided (i.e., proposed alternative sites for initial applicants and actual alternative sites for those CMHCs already participating in Medicare). The RO will decide whether the site in question: (1) can be part of the CMHC’s enrollment (i.e., a practice location), or (2) should be enrolled as a separate CMHC with a separate provider agreement. The practice location could be out-of-state if the RO determines that the location services the same “defined geographic area” as the main location. In all cases, the RO makes the final determination as to whether a particular practice location qualifies as an alternative site or whether a separate enrollment, provider agreement, etc., is required. If the contractor is unsure as to whether the location requires a separate enrollment and provider agreement, it may contact the RO for clarification.

If a CMHC is (1) adding a new location or (2) changing the physical location of an existing location, the contractor shall order a site visit of the new/changed location through PECOS after the contractor receives notice of approval from the RO but before the contractor switches the provider’s enrollment record to “Approved.” This is to ensure that the new/changed location is in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The NSVC will perform the site visit. The contractor shall not switch the provider’s enrollment record to “Approved” prior to the completion of the NSVC’s site visit and the contractor’s review of the results.
The contractor may refer to Pub. 100-07, SOM, chapter 2, section 2252, for additional information on CMHC alternative sites. Particular attention should be paid to the following provisions in section 2252I, regarding alternative sites:

- If a CMHC operates a CMS-approved alternative site, the site is not required to provide all of the core services. However, a patient must be able to access and receive the services he/she needs at the approved primary site, or at an alternative site that is within the distinct and definable community served by the CMHC.

- RO approvals of such alternative sites should be very limited because (1) CMHCs must serve a distinct and definable community, and (2) CMS has not limited the number of CMHCs an entity may submit for Medicare approval as long as these proposed CMHCs serve different communities.

- The RO will inform the CMHC if it determines that the proposed alternative site must be separately approved because it is not a part of the community where the CMHC is located.

F. Additional Information

For more information on CMHCs, refer to:

- Section 1861(ff) of the Social Security Act
- 42 CFR Sections 410.2, 410.43, and 410.110
- Pub. 100-07, chapter 2, sections 2250 – 2252P

See sections 15.19.2.2 through 15.19.2.4 of this chapter for additional information on CMHC site visits.

15.4.1.1.1 – CMHC 40 Percent Rule

(The policies in this section 15.4.1.1.1 apply on and after October 29, 2014.)

A. Background

Effective October 29, 2014, under § 485.918(b)(1) a CMHC must provide at least 40 percent of its items and services to individuals who are not eligible for benefits under title XVIII of the Social Security Act, as measured by the total number of CMHC clients treated by the CMHC for whom services are not paid for by Medicare, divided by the total number of clients treated by the CMHC in the applicable timeframe.

Pursuant to this requirement, a CMHC is required to submit to CMS a certification statement provided by an independent entity (such as an accounting technician). The document must certify that:
• The entity has reviewed the CMHC’s client care data

• For:
  • Initial enrollments: The CMHC meets the 40 percent requirement for the prior 3 months.
  • Revalidations: The CMHC meets the 40 percent requirement for each of the intervening 12-month periods between initial enrollment and revalidation.

The statement must be submitted as part of any initial enrollment or revalidation (including off-cycle revalidations).

B. Processing

The contractor shall abide by the following:

1. The contractor does not receive the certification with the Form CMS-855 -- The contractor shall develop for the certification as it would with any other form of required supporting documentation. If the CMHC fails to submit the certification within the applicable time period, the contractor shall follow the instructions in section 15.8.2 of this chapter.

2. The contractor receives the certification with the Form CMS-855 or timely receives the certification as part of a development request -- The contractor shall review the certification to ensure that it complies with § 485.918(b)(1) and the provisions of this section 15.4.1.1.1. If the certification is compliant, the contractor shall continue processing the application; if the certification is not compliant, the contractor shall deny the application or, if it chooses, develop for a revised certification.

Sections (B)(1) and (2) above do not apply if the contractor determines that the Form CMS-855 can be returned under section 15.8.1 of this chapter.

If the contractor exceeds applicable timeliness standards due to the instructions in this section 15.4.1.1.1, the contractor shall accordingly document the provider file consistent with section 15.10 of this chapter.

C. Special Guidelines

1. An appropriate official of the certifying entity must sign the document. (Notarization is not required unless CMS requests it.) Such persons may include accounting technicians, CEOs, officers, directors, etc.

2. The certification should be on the certifying entity’s letterhead or should otherwise indicate that the document is clearly from the entity.
3. The contractor shall include the certification in the recommendation package it sends to the state agency.

4. Unless CMS instructs the contractor otherwise, the appropriate denial bases for failing to comply with § 485.918(b)(1) are §§ 424.530(a)(1) and 485.918(b)(1). The appropriate revocation bases are §§ 424.535(a)(1) and 485.918(b)(1). In cases involving the latter, CMS will determine the appropriate re-enrollment bar length under § 424.535(c) and will notify the contractor thereof.

15.4.1.2 - Comprehensive Outpatient Rehabilitation Facilities (CORFs)
(Rev. 414, Issued: 04-06-12, Effective: 05-07-12, Implementation: 05-07-12)

A. General Background Information

A CORF is a facility established and operated at a single fixed location exclusively for the purpose of providing diagnostic, therapeutic, and restorative services to outpatients by or under the supervision of a physician. Specific examples of such services include:

- Physician services (*)
- Physical therapy (*)
- Occupational therapy
- Respiratory therapy
- Speech pathology
- Social work or psychological services (*)
- Prosthetic/orthotic devices
- Lab services (must meet 42 CFR Part 493 requirements)

(*) Services that the CORF must provide

In addition:

- If the regional office (RO) determines that sufficient functional and operational independence exists, a CORF may be able to share space with another Medicare provider. However, the CORF may not operate in the same space at the same time with another Medicare provider. (See Pub. 100-07, State Operations Manual (SOM), chapter 2, sections 2364 – 2364C for more information.)

- Like most certified providers, CORFs must be surveyed by the State agency and must sign a provider agreement.
• On occasion, an outpatient physical therapy/speech language pathology (OPT/SLP) location might convert to a CORF; prior to enrolling in Medicare, however, it must be surveyed to ensure that the CORF conditions of participation are met.

B. Enrollment

1. Offsite Locations

Notwithstanding the “single fixed location” language cited in subsection A above, there may be isolated cases where the RO permits a CORF to have an offsite location. This typically arises if the CORF wants to provide physical therapy, occupational therapy, or speech language pathology services away from the primary location. (This is permitted under 42 CFR §485.58(e)(2)). The offsite location would not necessarily be separately surveyed, but would be listed as a practice location on the CORF’s Form CMS-855A application.

2. Site Visits

• Initial application – If a CORF submits an initial application, the contractor shall order a site visit through the Provider Enrollment, Chain and Ownership System (PECOS) after the contractor receives the tie-in notice (or approval letter) from the RO but before the contractor conveys Medicare billing privileges to the CMHC. This is to ensure that the provider is still in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The National Site Visit Contractor (NSVC) will perform the site visit. The contractor shall not convey Medicare billing privileges to the provider prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

• Revalidation – If a CORF submits a revalidation application, the contractor shall order a site visit through PECOS. This is to ensure that the provider is still in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The NSVC will perform the site visit. The contractor shall not make a final decision regarding the revalidation application prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

• New/changed location - If a CORF is (1) adding a new location or (2) changing the physical location of an existing location, the contractor shall order a site visit of the new/changed location through PECOS after the contractor receives notice of approval from the RO but before the contractor switches the provider’s enrollment record to “Approved.” This is to ensure that the new/changed location is in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The NSVC will perform the site visit. The contractor shall not switch the provider’s enrollment record to “Approved” prior to the completion of the NSVC’s site visit and the contractor’s review of the results.
For more information on CORFs, refer to:

- Section 1861(cc) of the Social Security Act
- 42 CFR Part 485, Subpart B
- Pub. 100-07, chapter 2, sections 2360 – 2366 (SOM)
- Pub. 100-07, chapter 3, section 3224 (SOM)
- Pub. 100-07, Appendix K (SOM)
- Pub. 100-02, chapter 12 (Benefit Policy Manual)

See also sections 15.19.2.2 through 15.19.2.4 of this chapter for additional CORF site visit information.

15.4.1.3 - End-Stage Renal Disease Facilities (ESRDS)
(Rev. 556, Issued: 11-26-14, Effective: 12-29-14, Implementation: 12-29-14)

A. Types of ESRD Facilities

ESRD facilities are entities that perform renal services for patients with irreversible and permanent kidney failure. There are several types of ESRD facilities:

- **Renal Transplantation Center (RTC)** – An RTC is a hospital unit approved to furnish – directly - transplantation and other medical and surgical specialty services required for the care of ESRD transplant patients, including inpatient dialysis furnished directly or under arrangement. An RTC must be a member of the Organ Procurement and Transplantation Network (OPTN).

- **Renal Dialysis Center (RDC)** – An RDC is a hospital unit approved to furnish the full spectrum of diagnostic, therapeutic, and rehabilitative services required for the care of ESRD dialysis patients (including inpatient dialysis furnished directly or under arrangement and outpatient dialysis). Also:
  - The RDC need not furnish transplantation services.
  - An RTC can also be an RDC.
  - The RDC must be hospital-owned and operated, and the hospital must be enrolled in Medicare.

A separate, independent dialysis unit located in a Medicare-approved hospital cannot be approved as an RTC or RDC. (See Pub. 100-07, State Operations Manual, chapter 2, section 2280.1.)

- **Renal Dialysis Facility (RDF)** – This is a unit (but not necessarily a hospital unit) approved to furnish dialysis services directly to ESRD patients. A hospital (whether enrolled or not) can be an RDF if it is an outpatient provider of dialysis services that will not be furnishing inpatient dialysis services. A hospital-based RDF
“satellite” is one that is hospital-owned and administered but is not located on the hospital’s premises. A hospital can have multiple RDF satellites.

- **Self-Dialysis Unit (SDU)** – An SDU is a unit of an approved RTC, RDC or RDF that provides self-dialysis services.

- **Special Purpose Renal Dialysis Facility (SPRDF)** – SPRDFs are entities that perform ESRD services on a short-term basis in special situations for patients who cannot otherwise receive treatment in the geographical area. SPRDFs can be approved to serve vacation areas and in emergency situations. (See Pub. 100-07, State Operations Manual, chapter 2, section 2280D for more information on SPRDFs.) Like RTCs, RDCs, RDFs, and SDUs, SPRDFs must submit a Form CMS-855A to the contractor.

**B. ESRD Survey and Certification**

The standard CMS survey and certification form used for ESRDs is the Form CMS-3427. Part I of this form must be completed, as must the Form CMS-855A, when the ESRD is initially enrolling, changing or adding a location, or undergoing a change of ownership (CHOW). Part I must also be completed for: (1) a change in service and (2) an expansion or addition of ESRD stations. However, the Form CMS-855A need not be furnished in these two latter instances (e.g., an ESRD station does not qualify as a practice location on the Form CMS-855A), though the RO may issue a tie-in notice or approval letter to the contractor as notification of the change. Also, because the “End-Stage Renal Disease Facility” category on the Form CMS-855A encompasses all five ESRD categories, it is not necessary for the facility to submit a Form CMS-855A if it is changing from one ESRD type to another, though it must complete the Form CMS-3427. (See Pub. 100-07, State Operations Manual, chapter 2, sections 2274 – 2276 and 2278 – 227, for more information on the Form CMS-3427 requirement.)

If the RO approves the station/service change or addition, it may send a tie-in notice or approval letter to the contractor updating the number of stations or types of services.

**C. Miscellaneous ESRD Policies**

- The ESRD Network is a group of organizations under contract with CMS that serve as liaisons between the agency and ESRD providers. (There are currently 18 Network organizations.) The organizations oversee the care that ESRD patients receive, collect data, and furnish technical assistance to ESRD providers and patients.

- The provider-based rules for ESRD facilities are outlined in 42 CFR §413.174 and are slightly different than those in the main provider-based regulation (42 CFR §413.65). (§413.174 uses the term “hospital-based” as opposed to “provider-based.”)

- As ESRD facilities are technically “suppliers,” they sign a supplier agreement rather than a provider agreement. Even if the ESRD facility is a hospital unit, it signs an agreement that is separate and distinct from the hospital’s agreement.
• ESRDs entities/facilities cannot be mobile.

D. ESRD Enrollment

Each type of ESRD facility must enroll as an ESRD facility via the Form CMS-855A. Since the Form CMS-855A does not distinguish between the different types of ESRD facilities, the following principles apply:

• If an enrolled RTC also wants to become an RDC, the provider must submit a new, complete Form CMS-855A for the RDC. For enrollment purposes, the RTC and the RDC will be treated as two separate ESRD facilities.

• If an enrolled ESRD wants to change to another type of ESRD, the provider need not submit a Form CMS-855A change of information (assuming that this is the only change to the provider’s enrollment data).

• ESRD facilities can have multiple practice locations if the RO approves it, though this typically only occurs with RDFs.

E. Additional Information on ESRD Facilities

For further data on ESRD facilities, refer to:

• Section §1881 of the Social Security Act
• 42 CFR Part 405, Subpart U
• Pub. 100-07, State Operations Manual, chapter 2, section 2270 – 2287B
• Pub. 100-02, Benefit Policy Manual, chapter 11
• Pub. 100-04, Claims Processing Manual, chapter 8

15.4.1.4 - Federally Qualified Health Centers (FQHCs)
(Rev. 514; Issued: 05-02-14; Effective: 06-03-14; Implementation: 06-03-14)

FQHCs furnish services such as those performed by physicians, nurse practitioners, physician assistants, clinical psychologists, and clinical social workers. This also includes certain preventive services like prenatal services, immunizations, blood pressure checks, hearing screenings and cholesterol screenings. (See CMS Publication 100-02, chapter 13, for more information). Even though they complete the Form CMS-855A application, FQHCs are considered Part B certified suppliers.

FQHCs are not required to obtain a State survey; there is no State agency involvement with FQHCs. As such, the contractor will either deny the application or make a
recommendation for approval and forward it directly to the RO. The RO will then make the final decision as to whether the entity qualifies as a FQHC. Generally, in order to so qualify, the facility must be receiving, or be eligible to receive, certain types of Federal grants (sometimes referred to as “grant status”), or must be an outpatient health program or facility operated by a tribe or tribal organization under the Indian Self-Determination Act or by an Urban Indian organization. The Health Resources and Services Administration (HRSA) of the United States Department of Health and Human Services (DHHS) may assist the RO in determining whether a particular supplier meets FQHC standards, since HRSA maintains a list of suppliers that met certain grant requirements. (See CMS Pub. 100-07, chapter 2, sections 2825-2826D for more information.)

NOTE: Additional information about FQHCs:

- As stated above, there is no State agency involvement with FQHCs. However, FQHCs still must meet all applicable State and local requirements and submit all applicable licenses. Typically, HRSA will verify such State/local compliance by asking the FQHC to attest that it meets all State/local laws.

- FQHCs can be based in a rural or urban area that is designated as either a shortage area or an area that has a medically underserved population.

- To qualify as an FQHC, the facility must, among other things, either (1) furnish services to a medically underserved population or (2) be located in a medically underserved area.

- The FQHC must submit a signed and dated Attestation Statement for Federally Qualified Health Centers (Exhibit 177). This attestation serves as the Medicare FQHC benefit (or provider/supplier) agreement. (See Pub. 100-07, chapter 2, section 2826B.) The FQHC must also submit, as indicated above, a HRSA “Notice of Grant Award” or Look-Alike Status. A completed FQHC crucial data extract sheet (Exhibit 178), however, is no longer required.

- The contractor shall ensure that the attestation statement (Exhibit 177) contains the same legal business name and address as that which the FQHC provided in section 2 and section 4, respectively, of the Form CMS-855A. If the attestation contains a different name, the contractor shall develop for the correct name.

- An FQHC cannot have multiple sites or practice locations. Each location must be separately enrolled and will receive its own CMS Certification Number.

- If an FQHC submits a change of information request to change its location, the contractor may wish to contact the RO to see whether the change (1) is such that an initial enrollment is required (i.e., the change constitutes the establishment of a new FQHC) or (2) makes the clinic no longer eligible for enrollment as an FQHC (i.e., the
change is to a location that is neither a shortage area nor an area with a medically underserved population).

When sending a recommendation for approval letter to the RO for an initial FQHC application, the contractor shall indicate in the letter the date on which the FQHC’s application was complete. To illustrate, assume that the FQHC submitted an initial application on March 1. Two data elements were missing; the contractor thus requested additional information. The two elements were submitted on March 30. The contractor shall therefore indicate the March 30 date in its letter as the date the application was complete.

See CMS Publication 100-07, chapter 2, section 2826F for information regarding the effective date of an FQHC’s agreement with CMS.

For additional general information on FQHCs, refer to:

- Section 1861(aa)(3-4) of the Social Security Act
- 42 CFR Part 491 and 42 CFR Part 405.2400
- Pub. 100-07, chapter 2, sections 2825 – 2826H
- Pub. 100-07, Exhibit 179
- Pub. 100-04, chapter 9 (Claims Processing Manual)
- Pub. 100-02, chapter 13 (Benefit Policy Manual)

For information on the appropriate contractor jurisdictions for incoming FQHC enrollment applications, see:

- Pub. 100-04, chapter 1, section 20
- Pub. 100-04, chapter 9, section 10.3

15.4.1.5 – Histocompatibility Laboratories
(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

A histocompatibility laboratory does “matching” tests in preparation for procedures such as kidney transplants, bone marrow transplants, and blood platelet transfusions. It is the only type of laboratory that must submit a Form CMS-855A application. Each histocompatibility lab must meet all applicable requirements in 42 CFR Part 493 (see 42 CFR §493.1278 in particular) and undergo a State survey.

For information on the appropriate contractor jurisdiction for incoming histocompatibility lab applications, see CMS Pub. 100-04, chapter 1, section 20.
15.4.1.6 - Home Health Agencies (HHAs)
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)

A. General Background Information

An HHA is an entity that provides skilled nursing services and at least one of the following therapeutic services: speech therapy, physical therapy, occupational therapy, home health aide services, and medical social services. The services must be furnished in a place of residence used as the patient’s home.

Like most certified providers, HHAs receive a State survey (or a survey from an approved accrediting organization to determine compliance with Federal, State, and local laws), and must sign a provider agreement. All HHA services, moreover, must be part of a plan of care established by a physician, accompanied by a certification from the physician that the patient needs home health services. HHA services can be covered even if the patient lives with someone who might ordinarily be able to perform such services himself/herself.

B. Capitalization and Site Visit Requirements

See section 15.26.2 of this chapter for more information on HHA capitalization requirements. See sections 15.19.2 through 15.19.2.5 for more information on HHA site visit requirements.

C. HHA Components

There are three potential “components” of an HHA organization:

Parent – The parent HHA is the entity that maintains overall administrative control of its location(s).

Sub-unit – A sub-unit is associated with the parent HHA but services a different geographic area. It is thus considered a semi-autonomous HHA, since it is too far away from the parent HHA to share administration/supervision on a day-to-day basis. This means that HHA sub-units must separately enroll in Medicare, obtain a separate State survey, and sign a separate provider agreement. As with parent HHAs, sub-units receive their own 6-digit CMS Certification Number (CCN).

Branch – A branch is a location or site that services patients in the same geographic area as the parent and shares administration with the parent on a daily basis. Consequently, unlike sub-units, branches need not enroll separately. They can be listed as practice locations on the main provider’s (or sub-unit’s) Form CMS-855A. Though the branch receives a 10-digit CCN identifier, it bills under the parent HHA’s or sub-unit’s CCN number.
The question of whether a particular location qualifies as a branch or a sub-unit – which will determine whether a separate Form CMS-855A enrollment is needed – is resolved by the RO.

Consider the following scenario:

```
PARENT HHA
  owns         owns         owns
  BRANCH A    SUB-UNIT B   BRANCH C
  operates
```

Here, the parent HHA has two branches (A and C) and one sub-unit (B). B also has a branch (D). They will be enrolled as follows:

- The parent HHA must complete a Form CMS-855A, undergo a State survey, and sign a provider agreement.

- Branches A and C must be listed as practice locations on the parent’s Form CMS-855A because a branch is sufficiently “attached” to the parent to be considered part of it.

- Sub-unit B must: (1) enroll separately from the parent, (2) complete its own Form CMS-855A, (3) undergo its own survey, and (4) sign its own provider agreement. For enrollment purposes, it is considered a separate and distinct entity from the parent, hence requiring a separate enrollment. (This also means that Sub-unit B would not have to be listed on the parent’s Form CMS-855A as a practice location.)

- Because sub-units, like parents, can have branches, Branch D would be listed as a practice location on Sub-unit B’s application.

See Pub. 100-07, chapter 2, section 2182, for more information on branches.

**D. Out-of-State HHA Branches**

In general, an HHA can only have a branch in another State (and treat it as a branch, rather than a separate HHA) if there is a reciprocity agreement between the two States. If none exists, the out-of-state location must enroll as a new provider by submitting a new Form CMS-855A and signing a separate provider agreement. It cannot be treated as a branch/practice location of the main HHA. (See Pub. 100-07, chapter 2, section 2184 for specific provisions regarding HHAs that cross State lines.)
For more information on HHAs, refer to:

- Sections 1861(o) and 1891 of the Social Security Act
- 42 CFR Part 484
- 42 CFR § 489.28 (capitalization)
- Pub. 100-07, chapter 2, sections 2180 – 2198C (State Operations Manual)
- Pub. 100-04, chapter 10 (Claims Processing Manual)
- Pub. 100-02, chapter 7 (Benefit Policy Manual)

15.4.1.7 - Hospices
(Rev. 414, Issued: 04-06-12, Effective: 05-07-12, Implementation: 05-07-12)

A. Multiple Practice Locations

Hospices are not precluded from having multiple practice locations if permitted by the regional office (RO). If the RO disapproves an additional practice location, the location must seek Medicare approval as a separate hospice with its own enrollment and provider agreement. (See Pub. 100-07, State Operations Manual (SOM), chapter 2, section 2081, for the policies regarding multiple hospice locations.)

B. Site Visits

- Initial application – If a hospice submits an initial application, the contractor shall order a site visit through the Provider Enrollment, Chain and Ownership System (PECOS) after the contractor receives the tie-in notice (or approval letter) from the RO but before the contractor conveys Medicare billing privileges to the hospice. This is to ensure that the provider is still in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The National Site Visit Contractor (NSVC) will perform the site visit. The contractor shall not convey Medicare billing privileges to the provider prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

- Revalidation – If a hospice submits a revalidation application, the contractor shall order a site visit through PECOS. This is to ensure that the provider is still in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The NSVC will perform the site visit. The contractor shall not make a final decision regarding the revalidation application prior to the completion of the NSVC’s site visit and the contractor’s review of the results.
New/changed location - If a hospice is (1) adding a new location or (2) changing the physical location of an existing location, the contractor shall order a site visit of the new/changed location through PECOS after the contractor receives notice of approval from the RO but before the contractor switches the provider’s enrollment record to “Approved.” This is to ensure that the new/changed location is in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The NSVC will perform the site visit. The contractor shall not switch the provider’s enrollment record to “Approved” prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

For more information on hospices, refer to:

- Sections 1861(u) and 1861(dd) of the Social Security Act
- 42 CFR Part 418
- Pub. 100-07, chapter 2, sections 2080 – 2087 (SOM)
- Pub. 100-04, chapter 11 (Claims Processing Manual)
- Pub. 100-02, chapter 9 (Benefit Policy Manual)

See sections 15.19.2.2 through 15.19.2.4 of this chapter for additional hospice site visit information.

15.4.1.8 - Hospitals and Hospital Units

A. Swing-Bed Designation

A “swing-bed” hospital is one that is approved by CMS to furnish post-hospital skilled nursing facility (SNF) services. That is, hospital (or critical access hospital (CAH)) patients’ beds can “swing” from furnishing hospital services to providing SNF care without the patient necessarily being moved to another part of the building. It receives a separate survey and certification from that of the hospital. Thus, if swing-bed designation is terminated, the hospital still maintains its certification. In addition, the hospital is given an additional CMS Certification Number (CCN) to bill for swing-bed services. (The third digit of the CCN will be the letter U, W, Y or Z.)

As stated in 42 CFR §482.66, in order to obtain swing-bed status the hospital – among other things – must: (1) have a Medicare provider agreement, (2) be located in a rural area, and (3) have fewer than 100 non-newborn or intensive care beds. Swing-bed hospitals, therefore, are generally small hospitals in rural areas where there may not be enough SNFs. The hospital is thus used to furnish SNF services.

A separate provider agreement and enrollment for the swing-bed unit is not required. (The hospital’s provider agreement incorporates the swing-bed services.) The hospital can add the swing-bed unit as a practice location via the Form CMS-855A.
Additional data on “swing-bed” units can be found in Pub. 100-07, State Operations Manual, chapter 7, sections 2036 – 2040.

B. Psychiatric and Rehabilitation Units

Though these units receive a State survey, a separate provider agreement and enrollment is not required. (The hospital’s provider agreement incorporates these units.) The hospital can add the unit as a practice location to the Form CMS-855A.

C. Multi-Campus Hospitals

A multi-campus hospital (MCH) has two or more hospital campuses operating under one CCN number. The MCH would report its various units/campuses as practice locations on the Form CMS-855A. A hospital that has its own main campus but also occupies space in another hospital has a “satellite facility” in that other hospital.

For additional information on multi-campus hospitals, see Pub. 100-07, chapter 2, section 2024.

D. Physician-Owned Hospitals

A physician-owned hospital means any participating hospital (as defined in 42 CFR §489.24) in which a physician, or an immediate family member of a physician has an ownership or investment interest in the hospital. The ownership or investment interest may be through equity, debt, or other means, and includes an interest in an entity that holds an ownership or investment interest in the hospital. (This definition does not include a hospital with physician ownership or investment interests that satisfy the requirements at 42 CFR §411.356(a) or (b).

Section 2(A)(4) of the Form CMS-855A asks the applicant to identify whether it is a physician-owned hospital. If the applicant indicates in section 2(A)(2) that it is a hospital, it must complete section 2(A)(4). Applicants that are not hospitals need not complete section 2(A)(4).

- CMS-855POH must be completed if the applicant is a physician-owned hospital – even if it furnishes similar information in section 5 and/or 6 of the Form CMS-855A.

15.4.1.9 - Indian Health Services (IHS) Facilities
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

A. General Background Information

For purposes of provider enrollment only, there are several types of IHS facilities: (1) those that are wholly owned and operated by the IHS, (2) facilities owned by the IHS but tribally operated, and (3) facilities wholly owned and operated by a tribe, though under the general IHS umbrella. When an IHS facility wishes to enroll with the Part A
contractor, it may check either: (a) “Indian Health Services Facility,” or (b) the specific provider type it is. For instance, if an IHS hospital is involved, the provider may check “Indian Health Services Facility” or “Hospital” on the application - or perhaps both. Even if it only checked “Hospital,” the LBN or DBA Name will typically contain some type of reference to Indian Health Services. The contractor will therefore know that it is dealing with an IHS facility.

The overwhelming majority of IHS facilities on the Part A side are either hospitals, skilled nursing facilities (SNFs), critical access hospitals, or end-stage renal disease facilities. The contractor processes IHS applications in the same manner (and via the same procedures) as it would with a hospital, SNF, etc. (This also applies to procedures for PECOS entry.)

As for CCN numbers, the IHS facility uses the same series that its concomitant provider type does. That is, an IHS hospital uses the same CCN series as a “regular” hospital, an IHS CAH utilizes the same series as a regular CAH, and so forth.

**B. IHS Enrollment**

IHS facilities and tribal providers may use Internet-based PECOS or the paper Form CMS-855 enrollment application for their enrollment transactions. The designated Medicare contractor for IHS facilities and tribal providers is Novitas Solutions (Novitas).

If the IHS facility or tribal provider mails its Form CMS-855 to a Medicare contractor other than Novitas, that contractor shall forward the application directly to Novitas at the following address:

Novitas Solutions, Inc.
P.O. Box 3115
Mechanicsburg, PA 17055-1858

In Section 2 of the Form CMS-855A and Form CMS-855B applications, the provider or supplier must identify whether it is an Indian Health Facility enrolling with Novitas.

**C. Licensure Requirements for Physicians and Practitioners Enrolling to Work in or Reassign Benefits to an Indian Tribe or Tribal Organization**

The Affordable Care Act (Pub. L 111-148) amended Section 221 of the Indian Health Care Improvement Act (IHCIA) to provide as follows:

Licensed health professionals employed by a tribal health program shall be exempt, if licensed in any State, from the licensing requirements of the State, in which the tribal program performs the services described in the contract or compact of the tribal health program under the Indian Self-Determination and Education Assistance Act (ISDEAA) (25 U.S.C. 450, et seq.).
Pursuant to this statutory provision, any physician or practitioner need only be licensed in one State – regardless of whether that State is the one in which the practitioner practices – if he or she is employed by a tribal health program performing services as permitted under the ISDEAA (see CMS Pub. 100-04, chapter 19, section 10 for definitions).

The contractor shall apply this policy when processing applications from these individuals. In terms of the effective date of Medicare billing privileges, the contractor shall continue to apply the provisions of 42 CFR § 424.520(d) and section 15.17 of this chapter.

For additional general information on IHS facilities, see Pub. 100-04, chapter 19.

15.4.1.10 - Organ Procurement Organizations (OPOs)
(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

An OPO is an organization that performs or coordinates the procurement, preservation, and transport of organs, and maintains a system for locating prospective recipients for available organs. There are three general steps involved in becoming a Medicare OPO: enrollment, certification and designation.

Certification means that CMS has determined that an OPO meets the requirements for certification at 42 CFR §486.303. It does not mean, however, that the OPO can begin billing for services. CMS must first assign (or “designate”) a geographic service area to the OPO. (The provider must also complete the Form CMS-576, Request for OPO Designation.) In practical terms, “designation” means that CMS has approved the OPO for coverage of services to transplant centers and that the OPO can begin submitting claims to Medicare.

There can be only one designated OPO per geographic service area. When an OPO is de-certified and its service area is opened for competition, the applicable CMS regional office publishes a notice in local newspapers. CMS then selects an OPO to take over the service area, using the process at 42 CFR §486.316. The OPO that CMS selects must first have been certified by CMS and must meet the qualifications for designation at 42 CFR §486.304. The OPO must also sign a provider agreement (Form CMS-576A) and participate in the Organ Procurement and Transplantation Network. (See CMS Pub. 100-07, chapter 2, sections 2810 and 2811.) Note that OPOs do not receive a State survey.

For more information on OPOs, refer to:

- Section 1138 of the Social Security Act
- 42 CFR §486.301 - §486.348
For guidance on the appropriate contractor jurisdiction for incoming OPO applications, see CMS Pub. 100-04, chapter 1, section 20. Note that a hospital-based OPO must enroll separately, be separately certified, and sign its own provider agreement. However, the hospital’s Medicare contractor will service the OPO, and the OPO will not receive its own CMS Certification Number.

15.4.1.11 - Outpatient Physical Therapy/Outpatient Speech Pathology Services (OPT/OSP)
(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

A. General Background Information

There are three types of certified providers of OPT/OSP services:

1. **Rehabilitation Agencies** – These facilities furnish services in a team environment and in accordance with a “multidisciplinary” program to assist handicapped and disabled individuals. They provide not only OPT/OSP services, but social or vocational adjustment services as well. (See CMS Pub. 100-07, chapter 2, section 2292A.) The overwhelming majority of Part A OPT/OSP providers are rehabilitation agencies.

2. **Clinics** – A clinic is created primarily for the provision of outpatient physician services. The entity’s services must be furnished by a group of at least three physicians practicing medicine together, and at least one physician must be present in the clinic at all times to perform medical services.

3. **Public Health Agency** – This is an agency created by a State or local government. Its primary purpose is to furnish environmental health services, preventive medical services and, in some instances, therapeutic services, as a means of sustaining the health of the general population.

Note that:

- If an OPT/OSP provider elects to convert to a comprehensive outpatient rehabilitation facility (CORF), it must meet the CORF conditions of coverage and participation. An initial Form CMS-855A enrollment application, State survey, and CMS regional office approval are also required.

- Only those clinics (as listed above) that provide OPT/OSP services have provider agreements under 42 CFR §489.2. Part B physician groups – the supplier type that most people normally associate with the term “clinics” – do not have provider or supplier agreements.

- Occupational therapy cannot be substituted for the physical therapy requirement. It may, however, be provided in addition to physical therapy or speech pathology services. (See Pub. 100-07, chapter 2, section 2292A.)
B. Extension Locations

As discussed in Pub. 100-07, chapter 2, section 2298A, an OPT/OSP provider can furnish services from locations other than its primary site. (The provider must designate one location as its primary location, however.) These sites are called extension locations. They may include freestanding offices, suites in an office or medical building, or even space in an existing Medicare provider, such as a skilled nursing facility or hospital. Yet the separate area of the host provider or facility must be set aside for the provision of OPT/OSP services during the hours of the OPT/OSP provider’s operations. (The area/room/unit would be considered the extension location.)

An OPT/OSP provider may also furnish therapy services in a patient’s home or in a patient’s room in a SNF. Because they are not considered extension locations, neither the home nor the patient’s room need be listed as a practice location on the provider’s Form CMS-855A. (See Pub. 100-07, chapter 2, section 2298B.)

For an OPT/OSP provider to establish an extension location in an adjoining State, the two States involved must have a signed reciprocity agreement with each other allowing approval of the extension location. An extension location situated in a different State will bill under the primary site’s provider number. (See Pub. 100-07, chapter 2, section 2302.)

C. Additional OPT/OSP Information

For more information on OPT/OSP providers, refer to:

- Section 1861(p) of the Social Security Act
- 42 CFR Part 485, subpart H
- Pub. 100-07, chapter 2, sections 2290 – 2306 (State Operations Manual)
- Pub. 100-07, Appendix E

15.4.1.12 - Religious Non-Medical Health Care Institutions (RNCHIs)
(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

RNHCLs furnish only nonmedical nursing services and items to people who choose to rely solely on obtaining a religious method of healing and for whom the acceptance of medical services would be inconsistent with their religious views. Such nonmedical services are performed by nonmedical nursing personnel and include activities such as assistance in moving, comfort and support measures, and general assistance in performing day-to-day activities. (The nonmedical nursing personnel must be experienced in caring for the physical needs of nonmedical patients.) RNHCLs do not perform any medical screenings, examinations, diagnoses, or treatments, including the
administration of drugs. Each beneficiary who wishes to receive services in an RNHCI must make a valid and formal written statement (or “election”) to do so. (The specific election requirements are discussed in 42 CFR §403.724 and CMS Pub. 100-07, chapter 2, section 2054.1B.)

CMS’s Boston regional office has primary responsibility over the approval and certification of RNHCIs. RNHCIs are not certified by the State, but must meet all of the conditions of coverage outlined in 42 CFR §403.720, as well as all conditions of participation outlined in 42 CFR §403.730 through 403.746. For purposes of provider enrollment, the three most important conditions are that the provider:

1. Must not be owned by, under common ownership with, or have an ownership interest of 5 percent or more in, a provider of medical treatment or services.

2. Must not be affiliated with a provider of medical treatment or services or with an individual who has an ownership interest of 5 percent or more in a provider of medical treatment or services. (Permissible affiliations are described in 42 CFR §403.738(c)).

3. Must be a non-profit organization per subsection (c)(3) of §501 of the Internal Revenue Code of 1986, and exempt from taxes under subsection 501(a).

To this end, the contractor shall: (1) examine Sections 5 and 6 of the CMS-855A, and (2) verify the provider’s non-profit status to ensure that the aforementioned conditions are met.

For more information on RNCHIs, refer to:

- Section 1861(ss)(1) of the Social Security Act
- 42 CFR Part 403, subpart G
- Pub. 100-07, chapter 2, sections 2054, 2054.1, 20541A and 2054.1 (State Operations Manual)
- Pub. 100-04, chapter 3, sections 170 - 180 (Claims Processing Manual)
- Pub. 100-02, chapter 1, sections 130 – 130.4.2 (Benefit Policy Manual)

For guidance on the appropriate contractor jurisdiction for incoming RNCHI applications, please see Pub. 100-04, chapter 1, section 20.

15.4.1.13 - Rural Health Clinics (RHCs)
(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

A. General Background Information
Rural health clinics (RHCs):

- Are considered to be Part B certified suppliers, even though they enroll in Medicare via the Form CMS-855A.

- Must be primarily engaged in furnishing outpatient services. However, the services can, in certain instances, be performed in locations outside of the four walls of the clinic. (See CMS Pub. 100-02, chapter 13 for more information.)

There are certain services performed by RHCs that do not actually qualify as RHC services. To bill for these services, the clinic must enroll as a Clinic/Group Practice via the Form CMS-855B. It is not uncommon to see RHCs simultaneously enrolled in Medicare via the Form CMS-855A (to bill for RHC services) and the Form CMS-855B (to bill for non-RHC services).

- Sign a supplier agreement with CMS (akin to those signed by certified providers). Specifically, RHCs sign the Health Insurance Benefit Agreement (Form CMS-1561A).

- Can be either mobile in nature or fixed/permanent locations.

Note that a facility cannot be simultaneously enrolled as an FQHC and an RHC. Though there are similarities between these two supplier types, there are key differences as well:

- Unlike FQHCs, which can service rural or urban regions, an RHC may only service an area that: (1) is rural, and (2) contains a shortage of health services or qualified medical personnel (otherwise known as a “shortage area”). (See Pub. 100-02, chapter 13, section 10, which states that RHCs are clinics located in areas that are designated by (1) the Bureau of the Census as rural, and (2) the Secretary of the Department of Health and Human Services or the State as medically underserved.)

- FQHCs furnish preventive services. RHCs do not.

- RHCs are surveyed by the State. FQHCs are not.

B. Additional RHC Information

For more information on RHCs, refer to:

- Section 1861(aa)(1-2) of the Social Security Act

- 42 CFR Part 491, subpart A

- Pub. 100-07, chapter 2, sections 2240 – 2249 (State Operations Manual)
For guidance on the appropriate contractor jurisdictions for incoming RHC applications, refer to:

- Pub. 100-04, chapter 1, section 20
- Pub. 100-04, chapter 9, section 10.3

15.4.1.14 - Skilled Nursing Facilities (SNFs)
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

A. General Background Information

As stated in CMS Pub. 100-07, State Operations Manual, chapter 7, section 7004B, a SNF is a facility that:

- Is primarily engaged in providing to residents skilled nursing care and related services for residents who require medical or nursing care; or
- Is primarily engaged in providing to residents skilled rehabilitation services for the rehabilitation of injured, disabled, or sick persons and is not primarily for the care and treatment of mental diseases;
- Has in effect a transfer agreement (meeting the requirements of §1861(1) of the Social Security Act with one or more hospitals having agreements in effect under §1866 of the Social Security Act); and
- Meets the requirements for a skilled nursing facility described in subsections (b), (c), and (d) of §1819 of the Social Security Act.

The transfer agreement mentioned above need not be submitted with the SNF’s Form CMS-855A enrollment application; the State and/or CMS regional office (RO) will verify that the agreement exists.

Like other certified providers, SNFs receive a State survey and sign a provider agreement. SNFs cannot have multiple practice locations.

B. SNF Distinct Parts

A SNF can be a separate institution or a “distinct part” of an institution. The term “distinct part” means an area or portion of an institution (e.g., a hospital) that is certified to furnish SNF services. The hospital and the SNF distinct part will each receive a separate CMS Certification Number (CCN). Also:
A hospital may have only one SNF distinct part.

“Distinct part” designation is not equivalent to being “provider-based.”

A SNF distinct part unit must enroll separately (i.e., it cannot be listed as a practice location on the hospital’s Form CMS-855A), be separately surveyed, and sign a separate provider agreement. (Note how this is different from “swing-bed” units, which do not enroll separately and do not sign separate provider agreements.)

C. Additional Information

For more information on SNFs, refer to:

- Section 1819 of the Social Security Act
- Pub. 100-07, State Operations Manual, chapter 7
- Pub. 100-02, Benefit Policy Manual, chapter 8

15.4.2 – Certified Suppliers That Enroll Via the Form CMS-855B
(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

15.4.2.1 - Ambulatory Surgical Centers (ASCs)
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

A. General Background Information

An ASC is defined in 42 CFR §416.2 as any distinct entity that operates exclusively for the purpose of providing surgical services to patients not requiring hospitalization and in which the expected duration of services would not exceed 24 hours following an admission; the entity must have an agreement with CMS to participate in Medicare as an ASC, and must meet the conditions set forth in 42 CFR Part 416, subparts B and C. (The ASC supplier agreement (Form CMS-370) is similar to the provider agreement signed by Part A providers.)

As stated in §416.26(a), CMS may deem an ASC to be in compliance with any or all of the ASC conditions of coverage if:

- The ASC is accredited by a national accrediting body, or licensed by a state agency, that CMS determines provides reasonable assurance that the conditions are met;
- In the case of deemed status through accreditation by a national accrediting body, where state law requires licensure, the ASC complies with state licensure requirements; and
• The ASC authorizes the release to CMS of the findings of the accreditation survey.

Unless CMS deems the ASC to be in compliance with the ASC conditions of coverage, a state survey will be performed.

ASCs can be fixed locations or mobile in nature.

**B. ASCs and Hospitals**

See the following instructions for guidance regarding hospital-operated/affiliated ASCs:

• Pub. 100-04, Claims Processing Manual, chapter 14, section 10.1

• Pub. 100-02, Benefit Policy Manual, chapter 15, section 260.1

**C. Additional Information**

For more information on ASCs, refer to:

• 42 CFR Part 416

• Pub. 100-07, State Operations Manual, chapter 2, section 2210 and Appendix L

• Pub. 100-02, Benefit Policy Manual, chapter 15, sections 260 – 260.5.3

• Pub. 100-04, Claims Processing Manual, chapter 14

• Also, see Pub. 100-07, State Operations Manual, chapter 2, section 2210, for information regarding the sharing of space between ASCs and other providers.

**15.4.2.2 - CLIA Labs**  
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

**A. General Background Information**

As explained in Pub. 100-07, State Operations Manual, chapter 6, sections 6000 and 6002, the Clinical Laboratory Improvement Amendments of 1988 (CLIA) amended the Public Health Service Act (42 U.S.C. 263a) to extend jurisdiction of the Department of Health and Human Services (HHS) to regulate all laboratories that test human specimens for the purpose of providing information for diagnosis, prevention, or treatment of any disease or impairment of, or the assessment of the health of, human beings. CLIA mandates that virtually all laboratories, including physician office laboratories, meet applicable Federal requirements and have a CLIA certificate in order to operate.
Regulations implementing CLIA are codified under 42 CFR Part 493. These regulations require that all laboratories or entities that perform laboratory testing:

- Pay user fees as assessed by CMS to finance the entire cost of administering the CLIA program;
- Submit specific information to HHS or its designee;
- Comply with specific administrative and program requirements;
- Submit to surveys to assess compliance with CLIA requirements;
- Be subject to specified enforcement actions; and
- Apply for CLIA certificates based on the complexity of testing performed in the laboratory or based on accreditation by a CMS-approved accreditation organization, or
- Be located in a State with a CMS approved State laboratory licensure program, be licensed or approved in accordance with state requirements.

Section 6141 of the Omnibus Budget Reconciliation Act of 1989 requires that laboratories participating in the Medicare program comply with CLIA requirements. Therefore, all laboratories, with the exception of laboratories licensed by a state with a CMS-approved state laboratory licensure program (CLIA-exempt laboratories) must obtain a CLIA certificate to operate and to be eligible for payment under Medicare and Medicaid. Although CLIA-exempt laboratories do not need a CLIA certificate to operate, they are assigned a CLIA identification number for Medicare and Medicaid payment purposes.

Certain types of laboratories and laboratory tests are NOT subject to meeting CLIA requirements. These include:

- Any facility or component of a facility that performs testing strictly for forensic purposes;
- Research laboratories that do not report patient specific results (although they test human specimens) for the diagnosis, prevention or treatment of any disease or impairment of, or the assessment of the health of individuals;
- Components or functions of laboratories certified by the Substance Abuse and Mental Health Services Administration (SAMHSA), in which drug testing is performed that meets SAMHSA guidelines and regulations. (However, all other testing conducted by a SAMHSA certified laboratory is subject to this rule.);
- Laboratories under the jurisdiction of the Department of Veterans Affairs;
• Department of Defense (DoD) laboratories are subject to requirements that CMS has determined to be comparable to those in CLIA. The DoD is responsible for assuring compliance with these requirements and for oversight of its laboratories under a Memorandum of Understanding (MOU) between the Secretary of HHS and the Secretary of DoD. (See §6022 for discussions on Federal laboratories.);

• Laboratory testing conducted in conjunction with the provision of home health or hospice care in an individual’s home, where the home health agency or hospice employee merely assists the individual in performing a test, since tests performed by individuals in the home are not subject to CLIA;

• Laboratories licensed in a state whose laboratory licensure program is approved by CMS, (i.e., CLIA exempt as approved under 42 CFR part 493, Subpart E);

• Facilities which serve only as collection stations. A collection station receives specimens to be forwarded to a laboratory performing diagnostic tests;

• Radiological facilities that perform only imaging procedures (e.g., x-rays, ultrasounds, Magnetic Resonance Imaging, Computerized Tomography);

• Facilities performing only physiological testing, e.g. spirometry, slit-lamp test for eyes, breath analysis, pulse oximetry; and

• Any facility or component of a facility that performs testing for drugs of abuse for employment purposes.

B. Certificates

See Pub. 100-07, State Operations Manual, chapter 6, sections 6006 through 6006.7 for information regarding the various types of CLIA certificates.

C. CLIA Enrollment

Unless stated otherwise in this chapter or in another CMS directive:

• Each practice location at which laboratory tests are performed must submit to the contractor a separate CLIA certificate for that location. The only exceptions to this rule are:

  ° Laboratories within a hospital that are located at contiguous buildings, on the same campus, and under common direction;

  ° Non-profit or governmental laboratories that engage in limited public health testing;
Laboratories that are not at a fixed location (i.e., are mobile)

(See Pub. 100-07, State Operations Manual, chapter 6, sections 6008, 6026, and 6034 through 6036.3 for more information, including guidance relating to home health agencies and hospices.)

- The laboratory must submit to the contractor a separate certificate for each state in which testing is performed.

- If a lab is under the same ownership and at the same location as the “main provider,” it generally does not need to enroll separately. The enrolling provider will simply furnish its CLIA number in the practice location section. Conversely, if a lab is an “independent CLIA lab,” it must enroll separately.

- A separate enrollment record need not be created for each CLIA number. For instance, suppose a physician is enrolling in Medicare and has a CLIA number. The contractor need only create a single enrollment record that will encompass the Medicare number and the CLIA number.

D. Site Visits of Independent CLIA Labs

- **Initial application** – If an independent CLIA lab submits an initial application, the contractor shall order a site visit through the Provider Enrollment, Chain and Ownership System (PECOS). This is to ensure that the supplier is still in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The National Site Visit Contractor (NSVC) will perform the site visit. The contractor shall not convey Medicare billing privileges to the supplier prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

- **Revalidation** – If an independent CLIA lab submits a revalidation application, the contractor shall order a site visit through PECOS. This is to ensure that the supplier is still in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The NSVC will perform the site visit. The contractor shall not make a final decision regarding the revalidation application prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

- **New/changed location** - If an independent CLIA lab is (1) adding a new location or (2) changing the physical location of an existing location, the contractor shall order a site visit of the new/changed location through PECOS after the contractor receives notice of approval from the RO but before the contractor switches the supplier’s enrollment record to “Approved.” This is to ensure that the new/changed location is in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The NSVC will perform the site
visit. The contractor shall not switch the supplier’s enrollment record to “Approved” prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

E. Additional Information

For additional data on CLIA laboratories, refer to:

- 42 CFR Part 493
- Publication 100-07, State Operations Manual, chapter 6 (in full)
- Publication 100-04, Claims Processing Manual, chapter 16
- Form CMS-116 (CLIA Application for Certification)

15.4.2.3 - Mammography Screening Centers
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

As defined in 42 CFR § 410.34(a)(2), a screening mammography is a radiologic procedure “furnished to a woman without signs or symptoms of breast disease, for the purpose of early detection of breast cancer, and includes a physician's interpretation of the results of the procedure.” Section 410.34(a)(4) defines a “supplier of screening mammography” as “a facility that is certified and responsible for ensuring that all screening mammography services furnished to Medicare beneficiaries meet the conditions and limitations for coverage of screening mammography services as specified in (§ 410.34)(c) and (d).”

To enroll in Medicare, a mammography screening center must have a valid provisional certificate, or a valid certificate, that has been issued by the Food and Drug Administration (FDA) indicating that the supplier meets the certification requirements of section 354 of the PHS Act, as implemented by 21 CFR Part 900, subpart B. (The FDA is responsible for collecting certificate fees and surveying mammography facilities (screening and diagnostic).) Unless stated otherwise in this chapter or in another CMS directive, the supplier shall submit a copy of its FDA certificate with its application.

It is important that the contractor review and adhere to the following regulations and instructions regarding the required qualifications of mammography screening centers:

- 42 CFR § 410.34 (in full)
- Pub. 100-04, Claims Processing Manual, chapter 18, sections 20 through 20.1.2
- Pub. 100-02, Benefit Policy Manual, chapter 15, section 280.3
15.4.2.4 - Pharmacies
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

Pharmacies typically enroll with the National Supplier Clearinghouse via the Form CMS-855S. However, there are certain covered drugs that are billed through the physician fee schedule and not the schedule for durable medical equipment, prosthetics, orthotics and supplies. These drugs must be billed to the Part A/B Medicare Administrative Contractor (A/B MAC), meaning that the pharmacy must enroll with the A/B MAC via the Form CMS-855B.

For more information on the billing and coverage policies for Part B drugs, see:

- Pub. 100-04, Claims Processing Manual, chapter 17
- Pub. 100-02, Benefit Policy Manual, chapter 15, sections 50 through 50.6

15.4.2.5 - Portable X-Ray Suppliers (PXRSs)
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

A. General Background Information

To qualify as a portable x-ray supplier (PXRS), an entity must meet the conditions for coverage discussed in 42 CFR § 486.100-110.

A PXRS can be simultaneously enrolled as a mobile IDTF, though they cannot bill for the same service. A PXRS requires a State survey, while a mobile IDTF does not (although an IDTF requires a site visit).

A PXRS does not have a supplier agreement.

B. Enrollment of PXRSs

1. Section 4 of the Application

In order to enroll as a PXRS, a supplier must complete a Form CMS-855B, undergo a State survey, and obtain RO approval. In Section 4 of the Form CMS-855B, the PXRS must furnish certain information, including:

- Whether it furnishes services from a “mobile facility” or “portable unit.” The former term typically describes a vehicle that travels from place to place to perform services inside the vehicle. Examples of such vehicles include mobile homes or trailers. A “portable unit” exists when a supplier transports medical equipment to a particular location. Unlike with mobile facilities, the equipment on a portable unit is separate from and unattached to the vehicle.
A PXRS can be either a mobile facility or portable unit, although it usually is the latter. A mobile IDTF, on the other hand, while it too can be either, is typically a mobile facility.

Its base of operations. This is where personnel are dispatched from and where equipment is stored. It may or may not be the same address as the practice location.

All geographic locations at which services will be rendered.

Vehicle information if the services will be performed inside or from the vehicle. Copies of all licenses and registrations must be submitted as well, unless stated otherwise in this chapter or in another CMS directive.

2. Site Visits

Initial application – If a PXRS submits an initial application, the contractor shall order a site visit through the Provider Enrollment, Chain and Ownership System (PECOS) after the contractor receives the tie-in notice (or approval letter) from the RO but before the contractor conveys Medicare billing privileges to the PXRS. This is to ensure that the supplier is still in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The National Site Visit Contractor (NSVC) will perform the site visit. The contractor shall not convey Medicare billing privileges to the supplier prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

Revalidation – If a PXRS submits a revalidation application, the contractor shall order a site visit through PECOS. This is to ensure that the supplier is still in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The NSVC will perform the site visit. The contractor shall not make a final decision regarding the revalidation application prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

New/changed location - If a PXRS is (1) adding a new location or (2) changing the physical location of an existing location, the contractor shall order a site visit of the new/changed location through PECOS after the contractor receives notice of approval from the RO but before the contractor switches the supplier’s enrollment record to “Approved.” This is to ensure that the new/changed location is in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The NSVC will perform the site visit. The contractor shall not switch the supplier’s enrollment record to “Approved” prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

3. Reassignment

PXRSs may receive reassigned benefits. A PXRS need not separately enroll as a group practice in order to receive them.
C. Additional Information

For more information on PXRSs, refer to:

- 42 CFR §§ 486.100 – 486.110
- Pub. 100-07, State Operations Manual, chapter 2, sections 2420 – 2424B
- Pub. 100-02, Benefit Policy Manual, chapter 15, sections 80.4 – 80.4.4
- Pub. 100-04, Claims Processing Manual, chapter 13, sections 90 – 90.5

See also sections 15.19.2.2 through 15.19.2.4 of this chapter for additional PXRS site visit information.

15.4.2.6 - Radiation Therapy Centers
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

Under 42 CFR § 410.35, Medicare Part B pays for X-ray therapy and other radiation therapy services, including radium therapy and radioactive isotope therapy, and materials and the services of technicians administering the treatment.

Radiation therapy centers (RTCs) may receive reassigned benefits. An RTC need not separately enroll as a group practice in order to receive them.

For additional background on radiation therapy services, see:

- 42 CFR § 410.35
- Pub. 100-04, Claims Processing Manual, chapter 13
- Pub. 100-02, Benefit Policy Manual, chapter 15, section 90

15.4.2.7 - Suppliers of Ambulance Services
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

A. Types of Ambulance Services

As stated in 42 CFR § 410.40, there are several types of ambulance services covered by Medicare. They are generally defined in § 414.605 as follows:

1. **Advanced Life Support, level 1 (ALS1)** - Transportation by ground ambulance vehicle, medically necessary supplies and services, and either an ALS assessment by ALS personnel or the provision of at least one ALS intervention.
2. **Advanced Life Support, level 2 (ALS2)** - Either transportation by ground ambulance vehicle, medically necessary supplies and services, and the administration of at least three medications by intravenous push/bolus or by continuous infusion, excluding crystalloid, hypotonic, isotonic, and hypertonic solutions (Dextrose, Normal Saline, Ringer's Lactate); or transportation, medically necessary supplies and services, and the provision of at least one of the seven ALS procedures specified in § 414.605.

3. **Air Ambulance** (Fixed-Wing and Rotary-Wing) (See § 414.605 for specific definitions of fixed-wing and rotary-wing).

4. **Basic Life Support (BLS)** - Transportation by ground ambulance vehicle and medically necessary supplies and services, plus the provision of BLS ambulance services. The ambulance must be staffed by an individual who is qualified in accordance with state and local laws as an emergency medical technician-basic (EMT-Basic).

5. **Paramedic ALS Intercept Services (PI)** - Per § 414.605, EMT-Paramedic services furnished by an entity that does not furnish the ground transport, provided that the services meet the requirements in § 410.40(c). PI typically involves an arrangement between a BLS ambulance supplier and an ALS ambulance supplier, whereby the latter provides the ALS services and the BLS supplier provides the transportation component. Under § 410.40(c), PI must meet the following requirements:

   - Be furnished in an area that is designated as a rural area (see § 410.40(c)(1) for more information on this requirement)

   - Be furnished under contract with one or more volunteer ambulance services that meet the following conditions:
     - Are certified to furnish ambulance services as required under § 410.41;
     - Furnish services only at the BLS level; and
     - Be prohibited by state law from billing for any service

   - Be furnished by a paramedic ALS intercept supplier that meets the following conditions:
     - Is certified to furnish ALS services as required in § 410.41(b)(2); and
     - Bills all the beneficiaries who receive ALS intercept services from the entity, regardless of whether or not those beneficiaries are Medicare beneficiaries.

6. **Specialty Care Transport (SCT)** - Inter-facility transportation of a critically injured or ill beneficiary by a ground ambulance vehicle, including medically necessary
supplies and services, at a level of service beyond the scope of the EMT-Paramedic. SCT is necessary when a beneficiary's condition requires ongoing care that must be furnished by one or more health professionals in an appropriate specialty area (e.g., nursing, emergency medicine, respiratory care, cardiovascular care, or a paramedic with additional training.)

B. Ambulance Qualifications

1. Vehicle Design and Equipment

Section 410.41(a) states that a vehicle used as an ambulance must meet the following requirements:

- Be specially designed to respond to medical emergencies or provide acute medical care to transport the sick and injured and comply with all state and local laws governing an emergency transportation vehicle.
- Be equipped with emergency warning lights and sirens, as required by state or local laws.
- Be equipped with telecommunications equipment as required by state or local law to include, at a minimum, one two-way voice radio or wireless telephone.
- Be equipped with a stretcher, linens, emergency medical supplies, oxygen equipment, and other lifesaving emergency medical equipment as required by state or local laws.

2. Vehicle Personnel

Per 42 CFR § 410.41(b)(1)(i) and (ii), a BLS vehicle must be staffed by at least two people, one of whom must be: (1) certified as an emergency medical technician by the state or local authority where the services are furnished, and (2) legally authorized to operate all lifesaving and life-sustaining equipment on board the vehicle.

An ALS vehicle, in addition to meeting the BLS vehicle staff requirements described in 42 CFR § 410.41(b)(1), must also have one of the two staff members be certified as a paramedic or an emergency medical technician, by the state or local authority where the services are being furnished, to perform one or more ALS services.

C. Completion of the Form CMS-855B

Pub. 100-02, chapter 10, section 10.1.3 states that, in determining whether the vehicles and personnel of the ambulance supplier meet all of the above requirements, the contractor may accept the supplier’s statement (absent information to the contrary) that its vehicles and personnel meet all of the requirements if the statement itself meets the requirements of section 10.1.3. However, section 10.1.3 does not obviate the need for
the supplier to complete and submit to the contractor the Form CMS-855B (including Attachment 1 and all supporting documents), and does not excuse the contractor from having to verify the data on the Form CMS-855B in accordance with this chapter and all other applicable CMS instructions. In other words, the “statement” referred to in section 10.1.3, does not supplant or replace the Form CMS-855B enrollment process.

It is important that the contractor review and adhere to the following regulations and instructions regarding the required qualifications of ambulance suppliers:

- 42 CFR §§ 410.40 and 410.41
- Pub. 100-02, Benefit Policy Manual, chapter 10 (in full)
- Pub. 100-04, Claims Processing Manual, chapter 15

15.4.2.8 –Intensive Cardiac Rehabilitation (ICR)  
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

A. Background

ICR programs must be approved by CMS through the national coverage determination (NCD) process and must meet certain criteria for approval. Individual sites seeking to provide ICR services via an approved ICR program must enroll with their local Medicare contractor as an ICR program supplier.

B. ICR Enrollment

In order to enroll as an ICR site, a supplier must complete a Form CMS-855B, with the supplier type of “Other” selected. The contractor shall verify that CMS has approved the ICR program through the NCD process. A list of approved ICR programs will be identified through the NCD listings, the CMS Web site and the Federal Register. The contractor shall use one of these options to verify that the ICR program has met CMS approval.

An ICR supplier must separately and individually enroll each of its practice locations. The supplier can therefore only have one practice location – which shall receive its own Provider Transaction Access Number - on its Form CMS-855B enrollment application. The contractor shall use specialty code 31 for these enrollments.

The contractor shall only accept and process reassignments (Form CMS-855Rs) to ICR suppliers from physicians defined in section 1861(r)(1) of the Social Security Act.

It is important that the contractor review and adhere to the following regulations and instructions regarding the required qualifications of ICR suppliers:

- 42 CFR § 410.49
**15.4.3 - Medicare Advantage and Other Managed Care Organizations**  
(Rev. 414, Issued: 04-06-12, Effective: 05-07-12, Implementation: 05-07-12)

Medicare Advantage (MA) and other managed care organizations (MCOs) are allowed to bill Part B fee-for-service under certain situations. Such fee-for-service claims include services provided to a beneficiary under the following situations: (1) the beneficiary has enrolled, but his or her enrollment is not yet effective; (2) services provided by an attending physician or services unrelated to a terminal illness furnished to an enrollee who has elected hospice benefits; and (3) services furnished to an enrollee, but which are excluded under section 1852(a)(5) of the Social Security Act from the MA/MCO contract.

The MA/MCO must submit a Form CMS-855B to its local Medicare contractor as a prerequisite for enrolling in Medicare to bill for these services. The entity shall check the “Other” box in section 2A of the Form CMS-855B. The contractor shall use specialty code 88 when enrolling these organizations.

**15.4.4 - Individual Practitioners**  
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

This section provides background information on physicians and non-physician practitioners (NPPs). While Medicare has established Federal standards governing these supplier types, these practitioners must also comply with all applicable state and local laws as a precondition of enrollment.

It is important that contractors review Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15 for specific information regarding the required qualifications of the suppliers listed in this section 15.4.4 et seq.

**15.4.4.1 - Anesthesiology Assistants**  
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

Federal regulations at 42 CFR § 410.69(b) defines an anesthesiology assistant as a person who:

1. Works under the direction of an anesthesiologist;

2. Is in compliance with all applicable requirements of state law, including any licensure requirements the state imposes on non-physician anesthetists; and
(3) Is a graduate of a medical school-based anesthesiologist's assistant educational program that:

   (A) Is accredited by the Committee on Allied Health Education and Accreditation; and

   (B) Includes approximately 2 years of specialized basic science and clinical education in anesthesia at a level that builds on a premedical undergraduate science background.

With respect to education and training, Pub. 100-04, Medicare Claims Processing Manual, Chapter 12, section 140.1 further describes an anesthesiology assistant as a person who has successfully completed a 6-year program for anesthesiology assistants, of which 2 years consists of specialized academic and clinical training in anesthesia.

15.4.4.2 - Audiologists
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

Section 1861(ll)(3)(B) of the Social Security Act and Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, section 80.3.1 state that a qualified audiologist means an individual with a master’s or doctoral degree in audiology who:

- Is licensed as an audiologist by the state in which the individual furnishes such services,

OR

- In the case of an individual who furnishes services in a state which does not license audiologists, has:

  o Successfully completed 350 clock hours of supervised clinical practicum (or is in the process of accumulating such supervised clinical experience), and

  o Performed not less than 9 months of supervised full-time audiology services after obtaining a master’s or doctoral degree in audiology or a related field, and

  o Successfully completed a national examination in audiology approved by the Secretary.

15.4.4.3 - Certified Nurse-Midwives
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

Federal regulations at 42 CFR §410.77 list the Medicare qualifications for certified nurse-midwives (CNMs). These qualifications require that a CNM must:
(1) Be a registered nurse who is legally authorized to practice as a nurse-midwife in the state where services are performed;

(2) Have successfully completed a program of study and clinical experience for nurse-midwives that is accredited by an accrediting body approved by the U.S. Department of Education; and

(3) Be certified as a nurse-midwife by the American College of Nurse-Midwives or the American College of Nurse-Midwives Certification Council.

For more information on certified nurse midwives, refer to:

- Section 1861(gg) of the Social Security Act;
- Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, section 180; and
- Pub. 100-04, Medicare Claims Processing Manual, Chapter 12, section 130.1.

15.4.4.4 - Certified Registered Nurse Anesthetists (CRNAs)
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

Federal regulations at 42 CFR § 410.69(b) state that a CRNA is a registered nurse who:

(1) Is licensed as a registered professional nurse by the state in which the nurse practices;

(2) Meets any licensure requirements the state imposes with respect to non-physician anesthetists;

(3) Has graduated from a nurse anesthesia educational program that meets the standards of the Council on Accreditation of Nurse Anesthesia Programs, or such other accreditation organization as may be designated by the Secretary; and

(4) Meets the following criteria:

   (i) Has passed a certification examination of the Council on Certification of Nurse Anesthetists, the Council on Recertification of Nurse Anesthetists, or any other certification organization that may be designated by the Secretary; or

   (ii) Is a graduate of a program described in paragraph (3) and within 24 months after that graduation meets the requirements of paragraph (4)(i).

For more information on CRNAs, refer to:

- Section 1861(bb) of the Social Security Act
15.4.4.5 - Clinical Nurse Specialists
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

Federal regulations at 42 CFR §410.76 and in Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, section 210 states that a clinical nurse specialist must meet all of the following requirements:

- Be a registered nurse who is currently licensed to practice in the state where he or she practices and be authorized to furnish the services of a clinical nurse specialist in accordance with state law.

- Have a master’s degree in a defined clinical area of nursing from an accredited educational institution or a Doctor of Nursing Practice (DNP) doctoral degree; and

- Be certified as a clinical nurse specialist by a recognized national certifying body that has established standards for clinical nurse specialists and that is approved by the Secretary.

Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, section 210 states that the following organizations are recognized by CMS as national certifying bodies for clinical nurse specialists at the advanced practice level:

- American Academy of Nurse Practitioners;
- American Nurses Credentialing Center;
- National Certification Corporation for Obstetric, Gynecologic and Neonatal Nursing Specialties;
- Pediatric Nursing Certification Board (previously named the National Certification Board of Pediatric Nurse Practitioners and Nurses);
- Oncology Nurses Certification Corporation;
- AACN Certification Corporation; and
- National Board on Certification of Hospice and Palliative Nurses.

15.4.4.6 - Clinical Psychologists
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

Federal regulations at 42 CFR § 410.71(d) state that to qualify as a clinical psychologist, a practitioner must meet the following requirements:
Hold a doctoral degree in psychology (that is, a Ph.D., Ed.D., Psy.D.), and

Is licensed or certified, on the basis of the doctoral degree in psychology, by the state in which he or she practices, at the independent practice level of psychology, to furnish diagnostic, assessment, preventive, and therapeutic services directly to individuals.

Clinical psychologists are authorized under the Medicare program to furnish “physician” services that fall under their state scope of practice and, have services furnished as an incident to their own personal professional services without physician supervision, involvement or oversight. Clinical psychologists can perform diagnostic psychological and neuropsychological tests without a physician or authorized non-physician practitioner’s order. Solely for purposes of diagnostic psychological and neuropsychological tests, clinical psychologists are authorized to supervise these tests in addition to physicians.

A clinical psychologist must agree to meet the consultation requirements of 42 CFR §410.71(e)(1) through (e)(3). Under 42 CFR § 410.71(e), the practitioner’s signing of the Form CMS-855I indicates his or her agreement to attempt to consult with their patient’s primary care or attending physician.

For more information on clinical psychologists, refer to Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, section 160.

15.4.4.7 - Clinical Social Workers
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

Federal regulations at 42 CFR §410.73(a) defines a clinical social worker as an individual who:

1. Possesses a master's or doctor's degree in social work;

2. After obtaining the degree, has performed at least 2 years of supervised clinical social work; and

3. Either is licensed or certified as a clinical social worker by the state in which the services are performed or, in the case of an individual in a state that does not provide for licensure or certification as a clinical social worker—

   a. Is licensed or certified at the highest level of practice provided by the laws of the state in which the services are performed; and

   b. Has completed at least 2 years or 3,000 hours of post master's degree supervised clinical social work practice under the supervision of a master's degree level social worker in an appropriate setting, such as a hospital, SNF, or clinic.
For more information on clinical social workers, refer to Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, section 170.

15.4.4.8 - Nurse Practitioners  
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

Federal regulations at 42 CFR § 410.75(b) state that a nurse practitioner must be a registered professional nurse who is authorized by the state in which the services are furnished to practice as a nurse practitioner in accordance with state law. The individual must also meet one of the following criteria:

(1) Obtained Medicare billing privileges as a nurse practitioner for the first time on or after January 1, 2003, and meets the following requirements:

   (i) Is certified as a nurse practitioner by a recognized national certifying body that has established standards for nurse practitioners.

   (ii) Possesses a master’s degree in nursing or a Doctor of Nursing Practice (DNP) doctoral degree.

(2) Obtained Medicare billing privileges as a nurse practitioner for the first time before January 1, 2003, and meets the standards in (1)(i) above.

(3) Obtained Medicare billing privileges as a nurse practitioner for the first time before January 1, 2001.

Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, section 200 lists the following organizations as CMS-recognized national certifying bodies for nurse practitioners at the advanced practice level:

- American Academy of Nurse Practitioners;
- American Nurses Credentialing Center;
- National Certification Corporation for Obstetric, Gynecologic and Neonatal Nursing Specialties;
- Pediatric Nursing Certification Board (previously named the National Certification Board of Pediatric Nurse Practitioners and Nurses);
- Oncology Nurses Certification Corporation;
- AACN Certification Corporation; and
- National Board on Certification of Hospice and Palliative Nurses
15.4.4.9 - Occupational Therapists in Private Practice
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

A. Private Practice

Section 42 CFR 410.59(c)(ii), (iii), and (iv) state that an occupational therapist in private practice must:

(1) Engage in the private practice of occupational therapy on a regular basis as an individual, in one of the following practice types:

   (a) An unincorporated solo practice.
   (b) A partnership or unincorporated group practice.
   (c) An unincorporated solo practice, partnership, or group practice, or a professional corporation or other incorporated occupational therapy practice.
   (d) An employee of a physician group.
   (e) An employee of a group that is not a professional corporation.

   AND

(2) Bill Medicare only for services furnished in his or her private practice office space, or in the patient's home.

   (a) A therapist's private practice office space refers to the location(s) where the practice is operated, in the state(s) where the therapist (and practice, if applicable) is legally authorized to furnish services, during the hours that the therapist engages in practice at that location. When services are furnished in private practice office space, such space must be owned, leased, or rented by the practice and used for the exclusive purpose of operating the practice.

   (b) A patient's home does not include any institution that is a hospital, a CAH, or a SNF.

   AND

(3) Treat individuals who are patients of the practice and for whom the practice collects fees for the services furnished.

B. Regulatory Definition

Section 42 CFR § 484.4 defines an occupational therapist as an individual who:

(1)(a) Is licensed or otherwise regulated, if applicable, as an occupational therapist by
the state in which practicing, unless licensure does not apply;

(b) Graduated after successful completion of an occupational therapist education program accredited by the Accreditation Council for Occupational Therapy Education (ACOTE) of the American Occupational Therapy Association, Inc. (AOTA), or successor organizations of ACOTE; and

(c) Is eligible to take, or has successfully completed the entry-level certification examination for occupational therapists developed and administered by the National Board for Certification in Occupational Therapy, Inc. (NBCOT).

OR

(2) On or before December 31, 2009--

(a) Is licensed or otherwise regulated, if applicable, as an occupational therapist by the state in which practicing; or

(b) When licensure or other regulation does not apply--

(i) Graduated after successful completion of an occupational therapist education program accredited by the Accreditation Council for Occupational Therapy Education (ACOTE) of the American Occupational Therapy Association, Inc. (AOTA) or successor organizations of ACOTE; and

(ii) Is eligible to take, or has successfully completed the entry-level certification examination for occupational therapists developed and administered by the National Board for Certification in Occupational Therapy, Inc., (NBCOT).

OR

(3) On or before January 1, 2008--

(a) Graduated after successful completion of an occupational therapy program accredited jointly by the committee on Allied Health Education and Accreditation of the American Medical Association and the American Occupational Therapy Association; or

(b) Is eligible for the National Registration Examination of the American Occupational Therapy Association or the National Board for Certification in Occupational Therapy.

OR

(4) On or before December 31, 1977--

(a) Had 2 years of appropriate experience as an occupational therapist; and
(b) Had achieved a satisfactory grade on an occupational therapist proficiency examination conducted, approved, or sponsored by the U.S. Public Health Service.

C. Education Outside the United States

Section 42 CFR § 484.4 states that if the occupational therapist was educated outside the United States, he or she must meet all of the following:

(1) Graduated after successful completion of an occupational therapist education program accredited as substantially equivalent to occupational therapist entry level education in the United States by one of the following:

   (a) The Accreditation Council for Occupational Therapy Education (ACOTE).

   (b) Successor organizations of ACOTE.

   (c) The World Federation of Occupational Therapists.

   (d) A credentialing body approved by the American Occupational Therapy Association.

(2) Successfully completed the entry-level certification examination for occupational therapists developed and administered by the National Board for Certification in Occupational Therapy, Inc. (NBCOT).

(3) On or before December 31, 2009, is licensed or otherwise regulated, if applicable, as an occupational therapist by the state in which practicing.

D. Additional References

See Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15:

- Section 230.2(B) for more detailed information regarding the required qualifications of occupational therapists.

- Section 230.4 for detailed information regarding the term “private practice.”

15.4.4.10 - Physical Therapists in Private Practice
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

A. Private Practice

Section 42 CFR 410.60(c)(ii), (iii), and (iv) state that a physical therapist in private practice must:
(1) Engage in the private practice of physical therapy on a regular basis as an individual, in one of the following practice types:

(a) An unincorporated solo practice.
(b) A partnership or unincorporated group practice.
(c) An unincorporated solo practice, partnership, or group practice, or a professional corporation or other incorporated physical therapy practice.
(d) An employee of a physician group.
(e) An employee of a group that is not a professional corporation

AND

(2) Bill Medicare only for services furnished in his or her private practice office space, or in the patient's home.

(a) A therapist's private practice office space refers to the location(s) where the practice is operated, in the state(s) where the therapist (and practice, if applicable) is legally authorized to furnish services, during the hours that the therapist engages in practice at that location. When services are furnished in private practice office space, such space must be owned, leased, or rented by the practice and used for the exclusive purpose of operating the practice.

(b) A patient's home does not include any institution that is a hospital, a CAH, or a SNF.

AND

(3) Treat individuals who are patients of the practice and for whom the practice collects fees for the services furnished.

B. Regulatory Definition

Section 42 CFR § 484.4 defines a physical therapist as a person who is licensed, if applicable, by the state in which practicing (unless licensure does not apply) and who meets one of the following requirements:

(1)(a) Graduated after successful completion of a physical therapist education program approved by one of the following:

(i) The Commission on Accreditation in Physical Therapy Education (CAPTE).

(ii) Successor organizations of CAPTE.

(iii) An education program outside the United States determined to be substantially equivalent to physical therapist entry-level education in the United States by a credentials evaluation organization approved by the American Physical Therapy
Association or an organization identified in 8 CFR § 212.15(e) as it relates to physical therapists; and

(b) Passed an examination for physical therapists approved by the state in which physical therapy services are provided.

OR

(2) On or before December 31, 2009--

(a) Graduated after successful completion of a physical therapy curriculum approved by the Commission on Accreditation in Physical Therapy Education (CAPTE); or

(b) Meets both of the following:

   (i) Graduated after successful completion of an education program determined to be substantially equivalent to physical therapist entry level education in the United States by a credentialed evaluation organization approved by the American Physical Therapy Association or identified in 8 CFR § 212.15(e) as it relates to physical therapists.

   (ii) Passed an examination for physical therapists approved by the state in which physical therapy services are provided.

OR

(3) Before January 1, 2008--

(a) Graduated from a physical therapy curriculum approved by one of the following:


   (ii) The Committee on Allied Health Education and Accreditation of the American Medical Association.


OR

(4) On or before December 31, 1977 was licensed or qualified as a physical therapist and meets both of the following:

   (1) Has 2 years of appropriate experience as a physical therapist.
(2) Has achieved a satisfactory grade on a proficiency examination conducted, approved, or sponsored by the U.S. Public Health Service.

OR

(5) Before January 1, 1966--

(1) Was admitted to membership by the American Physical Therapy Association; or

(2) Was admitted to registration by the American Registry of Physical Therapists; or

(3) Has graduated from a physical therapy curriculum in a 4-year college or university approved by a state department of education.

OR

(6) Before January 1, 1966 was licensed or registered, and before January 1, 1970, had 15 years of full-time experience in the treatment of illness or injury through the practice of physical therapy in which services were rendered under the order and direction of attending and referring doctors of medicine or osteopathy.

C. **Training Outside the United States**

Section 42 CFR § 484.4 states that if the physical therapist was trained outside the United States before January 1, 2008, he or she must meet the following requirements:

(1) Was graduated since 1928 from a physical therapy curriculum approved in the country in which the curriculum was located and in which there is a member organization of the World Confederation for Physical Therapy.

(2) Meets the requirements for membership in a member organization of the World Confederation for Physical Therapy.

D. **Additional References**

See Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15:

- Section 230.2(B) for more detailed information regarding the required qualifications of physical therapists.

- Section 230.4 for detailed information regarding the term “private practice.”

E. **Site Visits of Physical Therapists in Private Practice**

(This site visit requirement is pursuant to 42 CFR § 424.518(b).)
Subject to subsection F below, site visits will be performed in accordance with the following:

- Initial application – If a physical therapist (PT) or PT group submits an initial application for private practice, the contractor shall order a site visit through the Provider Enrollment, Chain and Ownership System (PECOS). This is to ensure that the supplier is in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this Chapter. The National Site Visit Contractor (NSVC) will perform the site visit. The contractor shall not convey Medicare billing privileges to the supplier prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

- Revalidation – If a private practice PT or PT group submits a revalidation application, the contractor shall order a site visit through PECOS. This is to ensure that the supplier is still in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this Chapter. The NSVC will perform the site visit. The contractor shall not make a final decision regarding the revalidation application prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

- New/changed location – Unless CMS has directed otherwise, if a private practice PT or PT group is (1) adding a new location or (2) changing the physical location of an existing location, the contractor shall order a site visit of the new/changed location through PECOS. This is to ensure that the new/changed location is in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this Chapter. The NSVC will perform the site visit. The contractor shall not make a final decision regarding the application prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

F. Additional Site Visit Information

**NOTE**: The contractor shall also view the following:

- In section 2A of the Form CMS-855B application, physical and occupational therapy groups are denoted as “Physical/Occupational Therapy Group(s) in Private Practice.” If a supplier that checks this box in section 2A is exclusively an occupational therapy group in private practice – that is, there are no physical therapists in the group – the contractor shall process the application using the procedures in the “limited” screening category. No site visit is necessary. If there is at least one physical therapist in the group, the application shall be processed using the procedures in the “moderate” screening category. A site visit by the NSVC is required, unless CMS has directed otherwise.

- If an entity is enrolled as a physician practice and employs a physical therapist within the practice, the practice itself falls within the “limited” screening category. This is because the entity is enrolled as a physician practice, not a physical therapy group in
If a newly-enrolling private practice physical therapist lists several practice locations, the enrollment contractor has the discretion to determine the location at which the NSVC will perform the required site visit.

Unless CMS has directed otherwise, a site visit by the NSVC is required when a physical therapist submits an application for private practice initial enrollment and reassignment of benefits (Form CMS-855I and Form CMS-855R). However, a site visit is not required for an enrolled private practice physical therapist who is reassigning his or her benefits only (Form CMS-855R).

If the private practice physical therapist’s practice location is his or her home address and it exclusively performs services in patients’ homes, nursing homes, etc., no site visit is necessary.

15.4.4.11 - Physicians
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

As described in § 1861(r)(1) of the Social Security Act and in 42 CFR § 410.20(b), a physician must be legally authorized to practice medicine by the state in which he/she performs such services in order to enroll in the Medicare program and to retain Medicare billing privileges. Such individuals include:

1. Doctors of:
   - Medicine or osteopathy
   - Dental surgery or dental medicine
   - Podiatric medicine
   - Optometry

2. A chiropractor who meets the qualifications specified in 42 CFR § 410.22.

Refer to Pub. 100-04, Medicare Claims Processing Manual, Chapter 19, section 40.1.2 for special licensure rules regarding practitioners who work in or reassign benefits to hospitals or freestanding ambulatory care clinics operated by the Indian Health Service or by an Indian tribe or tribal organization.

15.4.4.12 - Physician Assistants (PAs)
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

Federal regulations at 42 CFR § 410.74(c), 42 CFR § 410.150(a)(15), and Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, section 190 require that a physician assistant (PA) must meet the following Medicare requirements:

1. Have graduated from a physician assistant educational program that is
accredited by the Accreditation Review Commission on Education for the Physician Assistant (its predecessor agencies, the Commission on Accreditation of Allied Health Education Programs (CAAHEP) and the Committee on Allied Health Education and Accreditation (CAHEA)); or

2. Have passed the national certification examination that is administered by the National Commission on Certification of Physician Assistants (NCCPA); and

3. Be licensed by the state to practice as a physician assistant.

As indicated in Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, section 190(D):

• Payment for the PA’s services may only be made to the PA’s employer, not to the PA himself/herself. In other words, the PA cannot individually enroll in Medicare and receive direct payment for his or her services. This also means that the PA does not reassign his or her benefits to the employer, since the employer must receive direct payment anyway.

• The PA’s employer can be either an individual or an organization. If the employer is a professional corporation or other duly qualified legal entity (e.g., limited liability company) in a state that permits PA ownership in the entity (e.g., as a stockholder, member), the entity may bill for PA services even if a PA is a stockholder or officer of the entity – so long as the entity is eligible to enroll as a provider or supplier in the Medicare program. PAs may not otherwise organize or incorporate and bill for their services directly to the Medicare program, including as, but not limited to, sole proprietorships or general partnerships. Accordingly, a qualified employer is not a group of PAs that incorporate to bill for its services. Moreover, leasing agencies and staffing companies do not qualify under the Medicare program as providers or suppliers of services.

• PAs also have the option under their benefit to furnish services as an independent contractor (1099 employment arrangement) in which case the contractor serves as the PA’s employer and Medicare payment is made directly to the contractor.

15.4.4.13 - Psychologists Practicing Independently
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, section 80.2 states that a psychologist practices independently when:

• He/she render services on his/her own responsibility, free of the administrative and professional control of an employer, such as a physician, institution or agency;
• The persons he/she treats are his/her own patients;

• He/she has the right to bill directly, collect and retain the fee for his/her services; and

• The psychologist is state-licensed or certified in the state where furnishing services.

A psychologist practicing in an office located in an institution may be considered an independently practicing psychologist when both of the following conditions are met:

• The office is confined to a separately-identified part of the facility that is used solely as the psychologist’s office and cannot be construed as extending throughout the entire institution; and

• The psychologist conducts a private practice (i.e., services are rendered to patients from outside the institution as well as to institutional patients).

Independently practicing psychologists have a more limited benefit under the Medicare program than clinical psychologists. With a degree starting at the master’s level of psychology, independently practicing psychologists are authorized to bill the program directly solely for diagnostic psychological and neuropsychological tests that have been ordered by a physician, clinical psychologist or nonphysician practitioner who is authorized to order diagnostic tests. Independently practicing psychologists are not authorized to supervise diagnostic psychological and neuropsychological tests. Any tests performed by an independently practicing psychologist must fall under the psychologist’s state scope of practice.

15.4.4.14 – Registered Dietitians
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

Federal regulations at 42 CFR § 410.134 state that a registered dietitian (or nutrition professional) is an individual who, on or after December 22, 2000:

1. Holds a bachelor's or higher degree granted by a regionally accredited college or university in the United States (or an equivalent foreign degree) with completion of the academic requirements of a program in nutrition or dietetics accredited by an appropriate national accreditation organization recognized for this purpose;

2. Has completed at least 900 hours of supervised dietetics practice under the supervision of a registered dietitian or nutrition professional; and

3. Is licensed or certified as a dietitian or nutrition professional by the state in which the services are performed. In a state that does not provide for licensure or certification, the individual will be deemed to have met this requirement if he or she is recognized as a “registered dietitian” by the Commission on Dietetic Registration or its
successor organization, or meets the requirements of paragraphs (1) and (2) above.

There are two exceptions to these requirements:

- A dietitian or nutritionist licensed or certified in a state as of December 21, 2000, is not required to meet the requirements of (1) and (2) above.

A registered dietitian in good standing, as recognized by the Commission of Dietetic Registration or its successor organization, is deemed to have met the requirements of (1) and (2) above.

15.4.4.15 – Speech Language Pathologists in Private Practice
(Rev. 519, Issued: 05-30-14, Effective: 07-31-14, Implementation: 07-31-14)

Effective July 1, 2009, in order to qualify as an outpatient speech-language pathologist in private practice, an individual must meet the following requirements:

(i) Be legally authorized (if applicable, licensed, certified, or registered) to engage in the private practice of speech-language pathology by the state in which he or she practices, and practice only within the scope of his or her license and/or certification.

(ii) Engage in the private practice of speech-language pathology as an individual, in one of the following practice types:

   (A) An unincorporated solo practice

   (B) An unincorporated partnership or unincorporated group practice

   (C) An unincorporated solo practice, partnership, or group practice, or a professional corporation or other incorporated speech-language pathology practice

   (D) An employee of a physician group

   (E) An employee of a group that is not a professional corporation

For more information on speech language pathologists in private practice, refer to Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, section 230.

15.4.5 - Manufacturers of Replacement Parts/Supplies for Prosthetic Implants or Implantable Durable Medical Equipment (DME) Surgically Inserted at an ASC
(Rev. 414, Issued: 04-06-12, Effective: 05-07-12, Implementation: 05-07-12)

Since Part A/B Medicare Administrative Contractors (A/B MACs) make payments for implantable prosthetics and DME to hospitals, physicians or ASCs, A/B MACs shall not enroll manufacturers of implantable or non-implantable and prosthetics DME into
the Medicare program. A manufacturer of non-implantable prosthetics and DME and replacement parts and supplies for prosthetic implants and surgically implantable DME may enroll in the Medicare program as a supplier with the National Supplier Clearinghouse if it meets the definition of a supplier as well as the requirements in 42 CFR § 424.57.

15.4.6 - Other Part B Services

15.4.6.1 - Diabetes Self-Management Training (DSMT)
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

A. Background

Diabetes self-management training (DSMT) is not a separately recognized provider type, such as a physician or nurse practitioner. A person or entity cannot enroll in Medicare for the sole purpose of performing DSMT. Rather, DSMT is an extra service that an enrolled provider or supplier can bill for, assuming it meets all of the necessary DSMT requirements.

All DSMT programs must be accredited as meeting quality standards by a CMS-approved national accreditation organization. Currently, CMS recognizes the American Diabetes Association (ADA) and the American Association of Diabetes Educators (AADE) as approved national accreditation organizations. A Medicare-enrolled provider or non-DMEPOS supplier that wishes to bill for DSMT may simply submit the appropriate accreditation certificate to its contractor. No Form CMS-855 is required, unless the provider or supplier is not in the Provider Enrollment, Chain and Ownership System (PECOS), in which case a complete Form CMS-855 application must be submitted.

If the supplier is exclusively a DMEPOS supplier, it must complete and submit a Form CMS-855B application to its local Part A/B Medicare Administrative Contractor (A/B MAC). This is because A/B MACs, rather than Durable Medical Equipment Medicare Administrative Contractors, pay DSMT claims. Thus, the DMEPOS supplier must separately enroll with its A/B MAC, even if it has already completed a Form CMS-855S. If an A/B MAC receives an application from a DMEPOS supplier that would like to bill for DMST, it shall verify with the National Supplier Clearinghouse that the applicant is currently enrolled and eligible to bill the Medicare program.

For more information on DSMT, refer to:

- 42 CFR Part 410 (subpart H)
- Publication 100-02, Medicare Benefit Policy Manual, chapter 15, sections 300 – 300.5.1
15.4.6.2 - Mass Immunizers Who Roster Bill  
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

An entity or individual who wishes to furnish mass immunization services - but may not otherwise qualify as a Medicare provider - may be eligible to enroll as a “Mass Immunizer” via the Form CMS-855I (individuals) or the Form CMS-855B (entities). Such suppliers must meet the following requirements:

- They may not bill Medicare for any services other than pneumococcal pneumonia vaccines (PPVs), influenza virus vaccines, and their administration.
- They must submit claims through the roster billing process.
- The supplier, as well as all personnel who administer the shots, must meet all applicable state and local licensure or certification requirements.

The roster billing process was developed to enable Medicare beneficiaries to participate in mass PPV and influenza virus vaccination programs offered by public health clinics and other organizations.

In addition:

- The effective date provision in 42 CFR § 424.520(d) does not apply to the enrollment of mass immunizers. This is because the individual/entity is not enrolling as a physician, non-physician practitioner, physician group or non-physician practitioner group.
- In section 4 of the Form CMS-855, the supplier need not list each off-site location (e.g., county fair, shopping mall) at which it furnishes services. It need only list its base of operations (e.g., county health department headquarters, drug store location).

For more information on mass immunization roster billing, refer to:

- Publication 100-02, Benefit Policy Manual, chapter 15, section 50.4.4.2
- Publication 100-04, Claims Processing Manual, chapter 18, sections 10 through 10.3.2.3

15.4.6.3 – Advanced Diagnostic Imaging  
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)

Section 135(a) of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) amended section 1834(e) of the Social Security Act. It required the Secretary to designate organizations to accredit suppliers – including, but not limited to, physicians, non-physician practitioners and independent diagnostic testing facilities -
that furnish the technical component (TC) of advanced diagnostic imaging services. MIPPA specifically defines advanced diagnostic imaging procedures as including diagnostic magnetic resonance imaging (MRI), computed tomography (CT), and nuclear medicine imaging such as positron emission tomography (PET). The law also authorizes the Secretary to specify other diagnostic imaging services in consultation with physician specialty organizations and other stakeholders. In order to furnish the TC of advanced diagnostic imaging services for Medicare beneficiaries, suppliers must be accredited by January 1, 2012. The effective date of the previously named regulation is January 1, 2012.

CMS approved three national accreditation organizations (AOs) – the American College of Radiology, the Intersocietal Accreditation Commission, and the Joint Commission - to provide accreditation services for suppliers of the TC of advanced diagnostic imaging procedures. The accreditation will apply only to the suppliers of the images, not to the physician's interpretation of the image. Also, this accreditation only applies to those who are paid under the Physician Fee Schedule. All accreditation organizations have quality standards that address the safety of the equipment as well as the safety of the patients and staff. A provider submitting claims for the TC must be accredited by January 1, 2012 to be reimbursed for the claim if the service is performed on or after that date. Each of these designated AOs submits monthly reports to CMS that list the suppliers who have been or are accredited, as well as the beginning and end date of the accreditation and the respective modalities for which they receive accreditation.

Newly enrolling physicians and non-physician practitioners described above must complete the Internet-based PECOS or the appropriate CMS-855 and check the appropriate boxes for Advanced Diagnostic Imaging (ADI). Contractors shall accept applications from providers and suppliers who are accredited for the new ADI accreditation. The Medicare enrollment contractors shall verify the information sent on the application meets the current enrollment requirements. The Medicare enrollment contractors shall verify the ADI supplier is listed as one of the accredited individuals/organizations found at www.cms.hhs.gov/Medicareprovidersupenroll and consistent with accreditation information found in section 2 of the CMS-855, and if the application is approved, will enter the information into the Provider Enrollment, Chain and Ownership System (PECOS).

15.4.7 - Medicaid State Agencies
(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

State Medicaid agencies do not have a National Provider Identifier and are not otherwise eligible to enroll in the Medicare program. If a state Medicaid agency is enrolled or seeks enrollment as a provider or supplier in the Medicare program, the contractor shall deny or revoke its Medicare billing privileges using, respectively, § 424.530(a)(5) (denials) and §424.535(a)(5) (revocations) as the basis.

15.4.8 - Suppliers Not Eligible to Participate
Below is a list of individuals and entities that frequently attempt to enroll in Medicare, but are not eligible to do so. If the contractor receives an enrollment application from any of these individuals or entities, the contractor shall deny the application.

- Acupuncturist
- Assisted Living Facility
- Birthing Center
- Certified Alcohol and Drug Counselor
- Certified Social Worker
- Drug and Alcohol Rehabilitation Counselor
- Hearing Aid Center/Dealer
- Licensed Alcoholic and Drug Counselor
- Licensed Massage Therapist
- Licensed Practical Nurse
- Licensed Professional Counselor
- Marriage Family Therapist
- Master of Social Work
- Mental Health Counselor
- National Certified Counselor
- Occupational Therapist Assistant
- Physical Therapist Assistant
- Registered Nurse
- Speech and Hearing Center
- Substance Abuse Facility

15.5 – Sections of the Forms CMS-855A, CMS-855B, and CMS-855I

A. Background

Sections 15.5.1 through 15.5.19.7 below discuss various data elements on the Form CMS-855A, Form CMS-855B, and Form CMS-855I. Not every data element on the forms is discussed in these sections; only those elements that warrant additional instructions are mentioned. Nonetheless, the contractor shall – unless stated otherwise in this chapter or in another CMS directive - adhere to all instructions in this chapter 15.
in terms of the collection, processing, and verification of all data elements on the Form CMS-855 applications, regardless of whether the data element in question is discussed in sections 15.5.1 through 15.5.19.7.

For purposes of these sections, and unless otherwise indicated, the term “approval” includes recommendations for approval.

**B. Precedence of Sections 15.7 through 15.7.1.6.2**

Though the contractor shall follow the instructions in sections 15.5.1 through 15.5.19.7, any specific processing or verification instructions in sections 15.5.7 through 15.7.1.6.2 shall – unless stated otherwise in this chapter or in another CMS directive - take precedence over those in sections 15.5.1 through 15.5.19.7.

See sections 15.7.1.3.1 and 15.7.1.3.2 for information regarding “processing alternatives.”

**15.5.1 - Basic Information (Section 1 of the Form CMS-855)**
(Rev. 525, Issued: 06-27-14, Effective: 07-29-14, Implementation; 07-29-14)

Unless otherwise stated in this chapter or in another CMS directive, the provider may only check one reason for submittal. Suppose a supplier is changing its tax identification number via the Form CMS-855B. The supplier must submit two applications: (1) an initial Form CMS-855B as a new supplier, and (2) a Form CMS-855B voluntary termination. Both transactions cannot be reported on the same application.

A provider shall enroll as an initial applicant if it is:

- Seeking to reestablish itself in the Medicare program after reinstatement from an exclusion or debarment or after the expiration of a reenrollment bar, or

- A hospital requesting enrollment via the Form CMS-855B to bill for practitioner services for hospital departments, outpatient locations and/or hospital clinics.

**15.5.2 – Identifying Information (Section 2 of the Form CMS-855)**
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)

Unless specifically indicated otherwise, the instructions in sections 15.5.1 through 15.5.2.3 below apply to the Form CMS-855A, the Form CMS-855B, and the Form CMS-855I.

The instructions in section 15.5.2.4 apply only to the Form CMS-855A; the instructions in section 15.5.2.5 apply only to the Form CMS-855B; and the instructions in section 15.5.2.6 only apply to the Form CMS-855I.
15.5.2.1 – Licenses and Certifications

The extent to which the applicant must complete the licensure or certification information in section 2 of the Form CMS-855 depends upon the provider type involved. For instance, some states may require a particular provider to be “certified” but not “licensed,” or vice versa.

The provisions in this section 15.5.2.1 are subject to the “processing alternatives” described in sections 15.7.1.3.1 through 15.7.1.3.2 of this chapter.

A. Form CMS-855B and Form CMS-855I

The contractor shall verify that the supplier is licensed and/or certified to furnish services in:

- The state where the supplier is enrolling.
- Any other state within the contractor’s jurisdiction in which the supplier (per section 4 of the Form CMS-855) will maintain a practice location.

The only licenses that must be submitted with the application are those required by Medicare or the state to function as the supplier type in question. Licenses and permits that are not of a medical nature are not required, though business licenses needed for the applicant to operate as a health care facility or practice must be submitted. In addition, there may be instances where the supplier is not required to be licensed at all in a particular state; the contractor shall still ensure, however, that the supplier meets all applicable state and Medicare requirements.

The contractor shall also adhere to the following:

- **State Surveys:** Documents that can only be obtained after state surveys or accreditation need not be included as part of the application. (This typically occurs with ASCs and portable x-ray suppliers.) The supplier must, however, furnish those documents that can be submitted prior to the survey/accreditation.

The contractor shall include any licenses, certifications, and accreditations submitted by ASCs and portable x-ray suppliers in the enrollment package that is forwarded to the state and/or RO.

Once the contractor receives the approval letter or tie-in notice from the RO for the ASC or portable x-ray supplier, the contractor is encouraged, but not required, to contact the RO, state agency, or supplier for the applicable licensing and/or certification data and to enter it into PECOS.
• **Notarization:** If the applicant submits a license that is not notarized or "certified true," the contractor shall verify the license with the appropriate state agency. (A notarized copy of an original document has a stamp that says "official seal," along with the name of the notary public, the state, the county, and the date the notary's commission expires. A certified "true copy" of an original document has a raised seal that identifies the state and county in which it originated or is stored.)

• **Temporary Licenses:** If the supplier submits a temporary license, the contractor shall note the expiration date in PECOS. Should the supplier fail to submit the permanent license after the temporary license expiration date, the contractor shall initiate revocation procedures. (A temporary permit – one in which the applicant is not yet fully licensed and must complete a specified number of hours of practice in order to obtain the license – is not acceptable.)

• **Revoked/Suspended Licenses:** If the applicant had a previously revoked or suspended license reinstated, the applicant must submit a copy of the reinstatement notice with the application.

• **Date of Enrollment** – For suppliers other than ASCs and portable x-rays, the date of enrollment is the date the contractor approved the application. The enrollment date cannot be made retroactive. To illustrate, suppose the supplier met all the requirements needed to enroll in Medicare (other than the submission of a Form CMS-855I) on January 1. He sends his Form CMS-855I to the contractor on May 1, and the contractor approves the application on June 1. The date of enrollment is June 1, not January 1. (**NOTE:** The matter of the date of enrollment is separate from the question of the date from which the supplier may bill.)

• **License Expiration/Revocation Dates for Non-Certified Suppliers** – For expired licenses, the contractor shall enter into PECOS the day after the expiration as the expiration date. For revoked and suspended licenses, the contractor shall enter into PECOS the revocation date (not the day after) as the expiration date.

See section 15.7.5.1 of this chapter for special instructions related to periodic license reviews and certain program integrity matters.

**B. Form CMS-855A**

Documents that can only be obtained after state surveys or accreditation need not be included as part of the application, nor must the data be provided in section 2 of the Form CMS-855A. The provider shall, however, furnish those documents that can be submitted prior to the survey/accreditation. The contractor shall include all submitted licenses, certifications, and accreditations in the enrollment package that is forwarded to the state and/or RO.

Once the contractor receives the approval letter or tie-in notice from the RO, the contractor is encouraged, but not required, to contact the RO, state agency, or provider
for the applicable licensing and/certification data and to enter it into PECOS.

15.5.2.2 – Correspondence Address and E-mail Addresses
(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

A. Correspondence Address

_The contractor may accept a particular correspondence address if it has no reason to suspect that it does not belong to or is not somehow associated with the provider. The contractor is not required to verify the correspondence address._ It cannot be the address of a billing agency, management services organization, chain home office, or the provider’s representative (e.g., attorney, financial advisor). It can, however, be a P.O. Box or, in the case of an individual practitioner, the person’s home address.

B. Correspondence Telephone Number

The provider may list any telephone number it wishes as the correspondence phone number. The number need not link to the listed correspondence address. _If the provider fails to list a correspondence telephone number, the contractor shall develop for this information via the procedures outlined in this chapter. The contractor shall accept a particular phone number if it has no reason to suspect that it does not belong to or is not somehow associated with the provider. The contractor is not required to verify the telephone number._

C. E-mail Addresses

An e-mail address listed on the application can be a generic e-mail address. It need not be that of a specific individual. The contractor may accept a particular e-mail address if it has no reason to suspect that it does not belong to or is not somehow associated with the provider.

D. Contact Persons

Unless stated otherwise in this chapter or in another CMS directive - or unless the provider requests that the contractor communicate with only a specific individual (e.g., an authorized official) or via specific means (e.g., only via the correspondence e-mail address) - the contractor has the discretion to use the contact persons listed in section 13 of the Form CMS-855 for all written and oral communications (e.g., mail, e-mail, telephone) related to the provider’s Medicare enrollment. Such communication need not be restricted to a particular enrollment application of the provider’s that the contractor is currently processing. Nor is the contractor required (again, unless either CMS or the provider directs otherwise) to send certain materials to the correspondence mailing or e-mail address rather than the contact person’s mailing or e-mail address.

15.5.2.3 – Accreditation
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)
If the provider checks “Yes,” the contractor shall ensure that the listed accrediting body is one that CMS recognizes in lieu of a State survey or other certification for the provider type in question. If the accrediting body is not recognized by CMS, the contractor shall advise the provider accordingly. (Note, however, that the provider may not intend to use the listed accreditation in lieu of the State survey and merely furnished the accrediting body in response to the question.)

15.5.2.4 – Section 2 of the Form CMS-855A
(Rev. 414, Issued: 04-06-12, Effective: 05-07-12, Implementation: 05-07-12)

A. Home Health Agency (HHA) Branches, Hospital Units, and Outpatient
Physical Therapy/Outpatient Speech Pathology (OPT/OSP) Extension Sites

As explained in section 15.4.1.6, a branch is a location or site from which an HHA provides services within a portion of the total geographic area that the parent company serves. The branch is part of the HHA and is located sufficiently close to the parent agency such that it shares administration, supervision, and services with the parent. If an existing HHA wants to add a branch, it is considered a change of information on the Form CMS-855A. An HHA subunit, meanwhile, is a semi-autonomous organization under the same governing body as the parent HHA and serves patients in a geographic area different from that of the parent. Due to its distance from the subunit, the parent is incapable of sharing administration, supervision and services with the subunit on a daily basis. If the HHA wants to add an HHA subunit, it must complete an initial enrollment application for the subunit. (The subunit also signs a separate provider agreement.)

If an enrolled hospital seeks to add a rehabilitation, psychiatric, or swing-bed unit, it should submit a Form CMS-855 change of information request and not an initial enrollment application. Similarly, if an OPT/OSP provider wants to add an extension site, a change of information request should be submitted.

If the contractor makes a recommendation for approval of the provider’s request to add an HHA branch or a hospital unit, the contractor shall forward the package to the State agency as described in this chapter. However, the contractor shall emphasize to the provider that a recommendation for approval of the branch or hospital unit addition does not signify CMS’s approval of the new location. Only the RO can approve the addition.

With respect to the Provider Enrollment, Chain and Ownership System, the contractor shall create a separate enrollment record for the hospital unit. However, a separate enrollment record for each HHA branch and OPT/OSP extension site is not required. These locations can simply be listed on the main provider’s enrollment record.

B. Critical Access Hospitals

Critical access hospitals (CAHs) are not considered to be a hospital sub-type for
enrollment purposes. Thus, if an existing hospital wishes to convert to a CAH, it must submit a Form CMS-855A as an initial enrollment.

C. Transplant Centers

For purposes of Medicare enrollment, a hospital transplant center is treated similarly to a hospital sub-unit. If the hospital wishes to add a transplant center, it must check the “other” box in section 2A2 of the CMS-855A, write “transplant center” on the space provided, and follow the standard instructions for adding a sub-unit. Unless CMS indicates otherwise, the contractor shall process the application in the same manner it would the addition of a hospital sub-unit; however, no separate enrollment in PECOS need be created for the transplant center.

15.5.2.5 – Section 2 of the Form CMS-855B
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)

Any supplier that indicates it is an OT/PT group must complete the questionnaire in section 2J. In doing so:

- If the group indicates that it renders services in patients’ homes, the contractor shall verify that the group has an established private practice where it can be contacted directly and where it maintains patients' records.

- If the group answers “yes” to question 2, 3, 4, or 5, the contractor shall request a copy of the lease agreement giving the group exclusive use of the facilities for PT/OT services only if it has reason to question the accuracy of the group’s response. If the contractor makes this request and the provider cannot furnish a copy of the lease, the contractor shall deny the application.

15.5.2.6 – Section 2 of the Form CMS-855I

A. Specialties

On the CMS-855I, the physician must indicate his/her supplier specialties, showing "P" for primary and "S" for secondary. Non-physician practitioners must indicate their supplier type.

The contractor shall deny the application if the individual fails to meet the requirements of his/her physician specialty or supplier type.

B. Education for Non-Physician Practitioners

The contractor shall verify all required educational information for non-physician practitioners. While the non-physician practitioner must meet all Federal and State requirements, he/she need not provide documentation of courses or degrees taken to
satisfy these requirements unless specifically requested to do so by the contractor. To the maximum extent possible, the contractor shall use means other than the practitioner’s submission of documentation—such as a State or school Web site—to validate the person’s educational qualifications.

A physician need not submit a copy of his/her degree unless specifically requested to do so by the contractor. To the maximum extent possible, the contractor shall use means other than the physician’s submission of documentation—such as a State or school Web site—to validate the person’s educational status.

C. Resident/Intern Status

If the applicant is a "resident" in an "approved medical residency program" (as these two terms are defined at 42 CFR §413.75(b)), the contractor shall refer to Pub. 100-02, chapter 15, section 30.3 for further instructions. (The contractor may also want to refer to 42 CFR §415.200, which states that services furnished by residents in approved programs are not "physician services.")

The physician should indicate the exact date that its residency program, internship, or fellowship was completed, so that the appropriate effective date can be issued.

An intern cannot enroll in the Medicare program. (For purposes of this requirement, the term “intern” means an individual who is not licensed by the State because he/she is still in post-graduate year (PGY) 1.) Also, an individual in a residency or fellowship program cannot be reimbursed for services performed as part of that program.

D. Physician Assistants

As stated in the instructions on page 3 of the CMS-855I, physician assistants (PAs) who are enrolling in Medicare need only complete sections 1, 2, 3, 13, 15, and 17 of the CMS-855I. The physician assistant must furnish his/her NPI in section 1 of the application, and must list his/her employers in section 2E.

The contractor must verify that the employers listed are: (1) enrolled in Medicare, and (2) not excluded or debarred from the Medicare program. (An employer can only receive payment for a PA’s services if both are enrolled in Medicare.) All employers must also have an established record in PECOS. If an employer is excluded or debarred, the contractor shall deny the application.

Since PAs cannot reassign their benefits—even though they are reimbursed through their employer—they should not complete a CMS-855R.

E. Psychologists Billing Independently

The contractor shall ensure that all persons who check “Psychologist Billing Independently” in section 2D2 of the CMS-855I answer all questions in section 2I. If
the supplier answers “no” to question 1, 2, 3, 4a, or 4b, the contractor shall deny the application.

F. Occupational/Physical Therapist in Private Practice (OT/PT)

All OT/PTs in private practice must respond to the questions in section 2J of the CMS-855I. If the OT/PT plans to provide his/her services as: (1) a member of an established OT/PT group, (2) an employee of a physician-directed group, or (3) an employee of a non-professional corporation, and that person wishes to reassign his/her benefits to that group, this section does not apply. Such information will be captured on the group’s CMS-855B application.

If the OT/PT checks that he/she renders all of his/her services in patients' homes, the contractor shall verify that he/she has an established private practice where he/she can be contacted directly and where he/she maintains patient records. (This can be the person’s home address, though all Medicare rules and instructions regarding the maintenance of patient records apply.) In addition, section 4D of the CMS-855I should indicate where services are rendered (e.g., county, State, city of the patients' homes). Post office boxes are not acceptable.

If the individual answers “yes” to question 2, 3, 4, or 5, the contractor shall request a copy of the lease agreement giving him/her exclusive use of the facilities for PT/OT services only if it has reason to question the accuracy of his/her response. If the contractor makes this request and the provider cannot furnish a copy of the lease, the contractor shall deny the application.

15.5.3 – Final Adverse Actions

Unless stated otherwise, the instructions in this section 15.5.3 apply to the following sections of the Form CMS-855:

- Section 3
- Section 4A of the CMS-855I
- Section 5
- Section 6

A. Disclosure of Final Adverse Action

If a final adverse action is disclosed on the Form CMS-855, the provider must furnish documentation concerning the type and date of the action, what court(s) and law enforcement authorities were involved, and how the adverse action was resolved. The documentation must be furnished regardless of whether the adverse action occurred in a
state different from that in which the provider seeks enrollment or is enrolled.

In addition:

1. Reinstatements - If the person or entity in question was excluded or debarred but has since been reinstated, the contractor shall confirm the reinstatement through the OIG or, in the case of debarment, through the federal agency that took the action. It shall also ensure that the provider submits written proof of the reinstatement (e.g., reinstatement letter).

2. Revocation Reversals – Medicare revocations that were reversed on appeal need not be reported on the Form CMS-855.

3. Scope of Disclosure – All final adverse actions that occurred under the LBN and TIN of the disclosing entity (e.g., applicant; section 5 owner) must be reported. This includes Medicare revocations that: (1) were initiated by a different Medicare contractor in another contractor jurisdiction, and (2) involve a different provider or supplier type. Consider the following examples:

Example (a) - Smith Pharmacy, Inc. had 22 separately enrolled locations in 2009. Each location was under Smith’s LBN and TIN. In 2010, two locations were revoked, leaving 20 locations. Smith submits a Form CMS-855S application for a new location on Jones Street. The two revocations in 2010 must be reported on the Jones Street application. Suppose, however, that each of Smith’s locations had its own LBN and TIN. The Jones Street application need not disclose the two revocations from 2010.

Example (b) - An HHA, hospice, and hospital are enrolling under Corporation X’s LBN and TIN. X is listed as the provider in section 2 of each applicant’s Form CMS-855A. All three successfully enroll. Six months later, Company X’s billing privileges for the HHA are revoked. Both the hospice and the hospital must report the revocation via a Form CMS-855A change request because the revocation occurred under the provider’s LBN and TIN. Assume now that X seeks to enroll an ASC under X’s LBN and TIN. The HHA revocation would have to be reported in section 3 of the ASC’s initial Form CMS-855B.

Example (c) – Company Y is listed as the provider/supplier for two HHAs and two suppliers of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS). These four providers/suppliers are under Y’s LBN and TIN. Each provider/supplier is located in a different State. All are enrolled. Y’s billing privileges for one of the DMEPOS suppliers are revoked. Y now seeks to enroll an ASC in a fifth State. Y must disclose the DMEPOS revocation on the ASC’s initial Form CMS-855, even though the revocation: (1) was done by a Medicare contractor other than that with which the ASC seeks enrollment, and (2) occurred in a state different from that in which the ASC is located.
Example (d) – Company Alpha is listed as an owner in section 5 of the Form CMS-855A. Alpha operates two health care providers – Y and Z - under its LBN and TIN. Y was subject to a General Services Administration debarment, which ended in 2009. The debarment would have to be reported in section 5, since it occurred under Z’s LBN and TIN.

4. Timeframe – With the exception of the felony convictions identified in #1 under “Convictions” in section 3 of the Form CMS-855, all final adverse actions must be reported regardless of when they occurred.

5. Corporate Integrity Agreements (CIAs) – CIAs need not be disclosed on the Form CMS-855.

6. Evidence to Indicate Adverse Action – There may be instances where the provider or supplier states in section 3, 4A of the Form CMS-855I, 5, and/or 6 that the person or entity has never had a final adverse action imposed against him/her/it, but the contractor finds evidence to indicate otherwise. In such cases, the contractor shall contact its CMS Provider Enrollment Business Function Lead (PEBFL) for guidance.

B. Prior Approval

If a current exclusion or debarment is disclosed on the Form CMS-855, the contractor shall deny the application in accordance with the instructions in this chapter; prior approval from CMS Central Office’s provider enrollment unit (COPEU) is unnecessary. If any other final adverse action is listed, the contractor shall refer the matter to its PEBFL for review. When referring the action to its PEBFL (which shall be done via e-mail or fax), the contractor shall include the following information: (1) provider/supplier name and NPI; (2) version of the Form CMS-855 involved; (3) reason for provider/supplier’s submission of the application; (4) a summary of the adverse legal facts; and (5) whether the provider/supplier has previously disclosed this or any other final adverse action.

(If the contractor learns via any means other than the submission of a Form CMS-855 (e.g., from law enforcement, notice from another contractor) that an enrolled provider or supplier has had any final adverse action (regardless of type) imposed against it, the contractor shall refer the matter to its PEBFL for guidance.)

C. Review of PECOS

If the contractor denies an application or revokes a provider based on a final adverse action, the contractor shall search PECOS (or, if the provider is not in PECOS, the contractor’s internal system) to determine:

- Whether the person/entity with the adverse action has any other associations (e.g., is listed in PECOS as an owner of three Medicare-enrolled providers), or
If the denial/revocation resulted from an adverse action imposed against an owner, managing employee, director, etc., of the provider, whether the person/entity in question has any other associations (e.g., a managing employee of the provider is identified as an owner of two other Medicare-enrolled HHAs).

If such an association is found and, per 42 CFR § 424.535, there are grounds for revoking the billing privileges of the other provider, the contractor shall initiate revocation proceedings with respect to the latter.

If the “other provider” is enrolled with a different contractor, the contractor shall notify the latter – via fax or e-mail – of the situation, at which time the latter shall take the revocation action. To illustrate, suppose John Smith attempted to enroll with Contractor X as a physician. Smith is currently listed as an owner of Jones Group Practice, which is enrolled with Contractor Y. Contractor X discovers that Smith was recently convicted of a felony. X therefore denies Smith’s application. X must also notify Y of the felony conviction; Y shall then revoke Jones’ billing privileges per 42 CFR § 424.535(a)(3).

D. Chain Home Offices, Billing Agencies, and HHA Nursing Registries

If the contractor discovers that an entity listed in section 7, 8, or 12 of the Form CMS-855 has had a final adverse action imposed against it, the contractor shall contact its PEBFL for guidance.

E. System for Award Management (SAM)

When an entity or individual is listed as debarred in the SAM (formerly, the General Services Administration Excluded Parties List System), the SAM record may identify associated entities and persons that are also debarred. To illustrate, suppose John Smith is identified as debarred. The SAM record may also list individuals and entities associated with John Smith that are debarred as well, such as “John Smith Company,” “Smith Consulting,” “Jane Smith,” and “Joe Smith.”

If the contractor learns via the Form CMS-855 verification process, a Zone Program Integrity Contractor (ZPIC) referral, or other similar means that a particular person or entity is debarred, the contractor shall search the person/entity in the SAM to see if the SAM record discloses any associated parties that are debarred. If associated parties are listed, the contractor – after verifying, via the instructions in this chapter, that the associated party is indeed debarred – shall check PECOS to determine whether the party is listed in any capacity. If the party is listed, the contractor shall take all applicable steps outlined in this chapter with respect to revocation proceedings against the party and against any persons/entities with whom the party is associated. For instance, using our example above, if the contractor confirms that Jane Smith is debarred and PECOS shows Jane Smith as an owner of Entity X, the contractor shall, as applicable, initiate revocation proceedings against X.
15.5.4 – Practice Location Information

Unless specifically indicated otherwise, the instructions in this section 15.5.4 apply to the Form CMS-855A, the Form CMS-855B, and the Form CMS-855I.

The instructions in section 15.5.4.1 apply only to the Form CMS-855A; the instructions in section 15.5.4.2 apply only to the Form CMS-855B; and the instructions in section 15.5.4.3 only apply to the Form CMS-855I.

A. Practice Location Verification

The contractor shall verify that the practice locations listed on the application actually exist. If a particular location cannot at first be verified, the contractor shall request clarifying information; for instance, the contractor can request that the applicant furnish letterhead showing the appropriate address.)

The contractor shall also verify that the reported telephone number is operational and connects to the practice location/business listed on the application. However, the contractor need not contact every location for applicants that are enrolling multiple locations; the contractor can verify each location’s telephone number with the contact person listed on the application and note the verification accordingly in the contractor’s verification documentation per section 15.7.3 of this chapter. (The telephone number must be one where patients and/or customers can reach the applicant to ask questions or register complaints.) The contractor may also match the applicant's telephone number with known, in-service telephone numbers - via, for instance, the Yellow Pages or the Internet - to correlate telephone numbers with addresses. If the applicant uses his/her/its cell phone for their business, the contractor shall verify that this is a telephone connected directly to the business. If the contractor cannot verify the telephone number, it shall request clarifying information from the applicant; the inability to confirm a telephone number may indicate that an onsite visit is necessary. In some instances, a 1-800 number or out-of-state number may be acceptable if the applicant's business location is in another State but his/her/its practice locations are within the contractor’s jurisdiction.

Additionally, once the verification of practice locations is complete, the contractor need not verify the address via the Internet (for example, 411.com, USPS.com, etc.). Finalist (which is integrated into PECOS) verifies the validity of an address with the United States Postal Service (USPS). Additional verification is only needed if Finalist cannot validate an actual address.

Also:

- If an individual practitioner or group practice: (1) is adding a practice location and (2) is normally required to complete a questionnaire in section 2 of the Form CMS-
855I or Form CMS-855B specific to its supplier type (e.g., psychologists, physical therapists), the person or entity must submit an updated questionnaire to incorporate services rendered at the new location.

- Any provider submitting a Form CMS-855A, Form CMS-855B or Form CMS-855I application must submit the 9-digit ZIP Code for each practice location listed.

- For providers/suppliers paid via the Fiscal Intermediary Shared System (FISS), the practice location name entered into the Provider Enrollment, Chain and Ownership System (PECOS) shall be the “doing business as” name (if it is different from the legal business name). For suppliers paid via the Multi-Carrier System (MCS), the practice location name entered into PECOS shall be the legal business name.

**B. Do Not Forward (DNF)**

Unless instructed otherwise in another CMS directive, the contractor shall follow the DNF initiative instructions in Pub. 100-04, chapter 1, section 80.5. Returned paper checks, remittance notices, or EFT payments shall be flagged if returned from the post office or banking institution, respectively, as this may indicate that the provider’s “special payment” address (section 4 of the Form CMS-855) or EFT information has changed. The provider should submit a Form CMS-855 or Form CMS-588 request to change this address; if the provider does not have an established enrollment record in the Provider Enrollment, Chain and Ownership System, it must complete an entire Form CMS-855 and Form CMS-588. The Durable Medical Equipment Medicare Administrative Contractors are responsible for obtaining, updating and processing Form CMS-588 changes.

In situations where a provider is closing his/her/its business and has a termination date (e.g., he/she is retiring), the contractor will likely need to make payments for prior services rendered. Since the practice location has been terminated, the contractor may encounter a DNF message. If so, the contractor should request the provider to complete the “special payment” address section of the Form CMS-855 and to sign the certification statement. The contractor, however, shall not collect any other information unless there is a need to do so.

**C. Remittance Notices/Special Payments**

For new enrollees, all payments must be made via EFT. The contractor shall thus ensure that the provider has completed and signed the Form CMS-588 and shall verify that the bank account is in compliance with Pub. 100-04, chapter 1, section 30.2.

If an enrolled provider that currently receives paper checks submits a Form CMS-855 change request – no matter what the change involves – the provider must also submit:
• A Form CMS-588 that switches its payment mechanism to EFT. (The change request cannot be processed until the Form CMS-588 is submitted.) All future payments (excluding special payments) must be made via EFT.

• An updated section 4 that identifies the provider’s desired “special payments” address.

The contractor shall also verify that the bank account is in compliance with Pub. 100-04, chapter 1, section 30.2.

(Once a provider changes its method of payment from paper checks to EFT, it must continue using EFT. A provider cannot switch from EFT to paper checks.)

The “special payment” address may only be one of the following:

• One of the provider’s practice locations

• A P.O. Box

• The provider’s billing agent. The contractor shall request additional information if it has any reason to suspect that the arrangement – at least with respect to any special payments that might be made – may violate the Payment to Agent rules in Pub. 100-04, chapter 1, section 30.2.

• The chain home office address. Per Pub.100-04, chapter 1, section 30.2, a chain organization may have payments to its providers sent to the chain home office. The legal business name of the chain home office must be listed on the Form CMS-588. The TIN on the Form CMS-588 should be that of the provider.

• Correspondence address

15.5.4.1 – Section 4 of the Form CMS-855A
(Rev. 435, Issued: 10-19-12, Effective: 11-20-12, Implementation: 11-20-12)

A. General Information

A hospital or other provider must list all addresses where it - and not a separately enrolled provider or supplier it owns or operates, such as a nursing home - furnishes services. The provider’s primary practice location should be the first location identified in section 4A and the contractor shall treat it as such – unless there is evidence indicating otherwise - for purposes of entry into the Provider Enrollment, Chain and Ownership System (PECOS). **NOTE**: Hospital departments located at the same address as the main facility need not be listed as practice locations on the Form CMS-855A.

If a practice location (e.g., hospital unit) has a CMS Certification Number (CCN) that is
in any way different from that of the main provider, the contractor shall create a separate enrollment record in PECOS for that location; this does not apply, however, to home health agency (HHA) branches, outpatient physical therapy/outpatient speech pathology (OPT/OSP) extension sites and transplant centers.

An HHA should complete section 4A with its administrative address.

If the provider’s address and/or telephone number cannot be verified, the contractor shall request clarifying information from the provider. If the provider states that the facility and its phone number are not yet operational, the contractor may continue processing the application. However, it shall indicate in its recommendation letter that the address and telephone number of the facility could not be verified. For purposes of PECOS entry, the contractor can temporarily use the date the certification statement was signed as the effective date.

B. Verification of HHA Sites

If the contractor receives an application from an HHA that has the same general practice location address as another enrolled (or enrolling) HHA and the contractor has reason to suspect that the HHAs may be concurrently operating out of the same suite or office, the contractor shall notify the National Site Visit Contractor of this at the time the contractor orders the required site visit through PECOS.

C. Out-of-State Practice Locations

If a provider is adding a practice location in another State that is within the contractor’s jurisdiction, a separate, initial Form CMS-855A enrollment application is not required if the following 5 conditions are met:

- The location is not part of a separate organization (e.g., a separate corporation, partnership),
- The location does not have a separate tax identification number (TIN) and legal business name (LBN),
- The State in which the new location is being added does not require the location to be surveyed,
- The applicable RO does not require the new location or its owner to sign a separate provider agreement, and
- The location is not a federally qualified health center (FQHCs are required to separately enroll each site)

Consider the following examples:
1. The contractor’s jurisdiction consists of States X, Y and Z. Jones Skilled Nursing Facility (JSNF), Inc., is enrolled in State X with 3 sites. It wants to add a fourth site in State Y. The new site will be under JSNF, Inc. JSNF will not be establishing a separate corporation, LBN or TIN for the site, and - per the State and RO - a separate survey and provider agreement are not necessary. Since all 5 conditions above are met, JSNF can add the fourth location via a change of information request, rather than an initial application. The change request must include all information relevant to the new location (e.g., licensure, new managing employees). To the extent required, the contractor shall create a separate PECOS enrollment record for the State Y location.

2. The contractor’s jurisdiction consists of States X, Y and Z. JSNF, Inc., is enrolled in State X with 3 locations. It wants to add a fourth location in State Y, but under a newly created, separate legal entity - JSNF, LP. The fourth location must be enrolled via a separate, initial Form CMS-855A.

3. The contractor’s jurisdiction consists of States X, Y and Z. Jones Hospice (JH), Inc., is enrolled in State X with 1 location. It wants to add a second location in State Z under JH, Inc. However, it has been determined that a separate survey and certification of the new location are required. A separate, initial Form CMS-855A for the new location is required.

15.5.4.2 – Section 4 of the Form CMS-855B
(Rev. 499, Issued: 12-27-13, Effective: 01-28-14, Implementation: 01-28-14)

A. Ambulatory Surgical Centers (ASCs) and Portable X-ray Suppliers

If the applicant’s address or telephone number cannot be verified, the contractor shall contact the applicant for further information. If the supplier states that the facility or its phone number is not yet operational, the contractor shall continue processing the application. However, it shall indicate in its recommendation letter that the address and telephone number of the facility could not be verified.

For purposes of PECOS entry, the contractor can temporarily use the date the certification statement was signed as the effective date.

B. Reassignment of Benefits

Per Pub. 100-04, chapter 1, section 30.2.7, a contractor may permit a reassignment of benefits to any eligible entity regardless of where the service was rendered or whether the entity owned or leased that location. As such, the contractor need not verify the entity’s ownership or leasing arrangement with respect to the reassignment.

C. Ambulance Companies

If an ambulance company will be furnishing all of its services in the same contractor jurisdiction, the supplier should list:
• Each site at which its vehicles are garaged in section 4A. (The site is considered a practice location for enrollment purposes, including with respect to payment of the application fee.)

• Each site from which its personnel are dispatched in section 4A. (The site is considered a practice location for enrollment purposes, including with respect to payment of the application fee.)

• Its base of operations – which, for ambulance companies, is their primary headquarters – in section 4E. (The supplier can only have one base of operations.)

If the supplier will be furnishing services in more than one contractor jurisdiction, it shall follow the applicable instructions in section 15.5.18 of this chapter.

D. Out-of-State Practice Locations

If a supplier is adding a practice location in another State that is within the contractor’s jurisdiction, a separate, initial Form CMS-855B enrollment application is not required if the following 5 conditions are met:

• The location is not part of a separate organization (e.g., a separate corporation, partnership),

• The location does not have a separate tax identification number (TIN) and legal business name (LBN),

• The State in which the new location is being added does not require the location to be surveyed,

• The applicable RO does not require the new location or its owner to sign a separate supplier agreement, and

• The location is not an independent diagnostic testing facility (IDTFs are required to separately enroll each site)

Consider the following examples:

1. The contractor’s jurisdiction consists of States X, Y and Z. Jones Group Practice (JGP), Inc., is enrolled in State X with 3 locations. It wants to add a fourth location in State Y. The new location will be under JGP, Inc. JGP will not be establishing a separate corporation, LBN or TIN for the fourth location. Since there is no State or RO involvement with group practices, all 5 conditions are met. JGP can add the fourth location via a change of information request, rather than an initial application. The change request must include all information relevant to the new location (e.g., licensure, new managing employees). To the extent required, the contractor shall create a separate
PECOS enrollment record for the State Y location.

2. The contractor’s jurisdiction consists of States X, Y and Z. Jones Group Practice (JGP), Inc., is enrolled in State X with 3 locations. It wants to add a fourth location in State Y, but under a newly created, separate entity - Jones Group Practice, LP. The fourth location must be enrolled via a separate, initial Form CMS-855B.

3. The contractor’s jurisdiction consists of States X, Y and Z. Jones Group Practice (JGP), Inc., is enrolled in State X with 3 locations. It wants to add a fourth location in State Q. Since State Q is not within the contractor’s jurisdiction, a separate initial enrollment for the fourth location is necessary.

4. The contractor’s jurisdiction consists of States X, Y and Z. Jones Ambulatory Surgical Center (JASC), Inc., is enrolled in State X with 3 locations. It wants to add a fourth location in State Z under JASC, Inc. However, it has been determined that a separate survey and certification of the new site are required. A separate, initial Form CMS-855B is therefore necessary.

15.5.4.3 – Section 4 of the Form CMS-855I

A. Solely-Owned Organizations

The former practice of having solely-owned practitioner organizations (as explained and defined in section 4A of the CMS-855I) complete a CMS-855B, a CMS-855R, and a CMS-855I has been discontinued. All pertinent data for these organizations can be furnished via the CMS-855I alone. The contractor, however, shall require the supplier to submit a CMS-855B, CMS-855I and CMS-855R if, during the verification process, it discovers that the supplier is not a solely-owned organization. (NOTE: A solely-owned supplier type that normally completes the CMS-855B to enroll in Medicare must still do so. For example, a solely-owned LLC that is an ambulance company must complete the CMS-855B, even though section 4A makes mention of solely-owned LLCs. Use of section 4A of CMS-855I is limited to suppliers that perform physician or practitioner services.)

Sole proprietorships need not complete section 4A of the CMS-855I. By definition, a sole proprietorship is not a corporation, professional association, etc. Do not confuse a sole proprietor with a physician whose business is that of a corporation, LLC, etc., of which he/she is the sole owner.

In section 4A, the supplier may list a type of business organization other than a professional corporation, a professional association, or a limited liability company (e.g., closely-held corporation). This is acceptable so long as that business type is recognized by the State in which the supplier is located.

The contractor shall verify all data furnished in section 4A (e.g., legal business name,
TIN, adverse legal actions). If section 4A is left blank, the contractor may assume that it does not pertain to the applicant.

A solely-owned physician or practitioner organization that utilizes section 4A to enroll in Medicare can generally submit change of information requests to Medicare via the CMS-855I. However, if the change involves data not captured on the CMS-855I, the change must be made on the applicable CMS form (i.e., CMS-855B, CMS-855R).

B. Individual Affiliations

If the applicant indicates that he/she intends to render all or part of his/her services in a group setting, the contractor shall ensure that the applicant (or the group) has submitted a CMS-855R for each group to which the individual plans to reassign benefits. The contractor shall also verify that the group is enrolled in Medicare. If it is not, the contractor shall enroll the group prior to approving the reassignment.

C. Practice Location Information

A practitioner who only renders services in patients' homes (i.e., house calls) must supply his/her home address in section 4C. In addition, if a practitioner renders services in a retirement or assisted living community, section 4C must include the name and address of that community. In either case, the contractor shall verify that the address is a physical address. Post office boxes and drop boxes are not acceptable.

D. Sole Proprietor Use of EIN

The practitioner must obtain a separate EIN if he/she wants to receive reassigned benefits as a sole proprietor.

E. NPI Information for Groups

If a supplier group/organization is already established in PECOS (i.e., status of "approved), the physician or non-physician practitioner is not required to submit the NPI in 4B2 of the 855I. In short, if group/organization is already established in PECOS, the group/organization does not need to include an NPI in section 4B2. The only NPI that the physician or non-physician practitioner must supply is the NPI found in section 4C.

NOTE: Physicians and non-physician practitioners are required to supply the NPI in section 4B2 of the CMS-855I for groups/organizations not established in PECOS with a status of "approved."

F. Out-of-State Practice Locations

If a supplier is adding a practice location in another State, a separate, initial Form CMS-855I enrollment application is required for that location even if:
• The location is part of the same organization (e.g., a solely-owned corporation),

• The location has the same tax identification number (TIN) and legal business name (LBN), and

• The location is in the same contractor jurisdiction.

To illustrate, suppose the contractor’s jurisdiction consists of States X, Y and Z. Dr. Jones, a sole proprietor, is enrolled in State X with 2 locations. He wants to add a third location in State Y under his social security number and his sole proprietorship’s employer identification number. A separate, initial Form CMS-855I application is required for the State Y location.

15.5.5 – Owning and Managing Organizations
(Rev. 556, Issued: 11-26-14, Effective: 12-29-14, Implementation: 12-29-14)

(This section only applies to section 5 of the Form CMS-855A and Form CMS-855B. It does not apply to the Form CMS-855I.)

All organizations that have any of the following must be listed in section 5A of the Form CMS-855:

1. **A 5 percent or greater direct or indirect ownership interest in the provider.**

The following illustrates the difference between direct and indirect ownership:

**EXAMPLE:** The supplier listed in section 2 of the Form CMS-855B is an ambulance company that is wholly (100 percent) owned by Company A. Company A is considered to be a direct owner of the supplier (the ambulance company), in that it actually owns the assets of the business. Now assume that Company B owns 100 percent of Company A. Company B is considered an indirect owner - but an owner, nevertheless - of the supplier. In other words, a direct owner has an actual ownership interest in the supplier, whereas an indirect owner has an ownership interest in an organization that owns the supplier.

See the instructions for section 5 of the Form CMS-855 for additional information on indirect ownership.

2. **Mortgage or security interest**

For purposes of enrollment, ownership also includes "financial control." Financial control exists when:

(a) An organization or individual is the owner of a whole or part interest in any mortgage, deed of trust, note, or other obligation secured (in whole or in part) by the
provider or any of the property or assets of the provider, and

(b) The interest is equal to or exceeds 5 percent of the total property and assets of the provider.

All entities with at least a 5 percent mortgage, deed of trust or other security interest in the provider must be reported in section 5. This frequently will include banks, other financial institutions, and investment firms,

3. Any general partnership interest in the provider, regardless of the percentage. This includes: (1) all interests in a non-limited partnership, and (2) all general partnership interests in a limited partnership.

4. For limited partnerships, any limited partnership interest that is 10 percent or greater.

5. Managing control of the provider or supplier

A managing organization is one that exercises operational or managerial control over the provider, or conducts the day-to-day operations of the provider. The organization need not have an ownership interest in the provider in order to qualify as a managing organization. For instance, the entity could be a management services organization under contract with the provider to furnish management services for one of the provider's practice locations.

The organizations referred to above generally fall into one or more of the following categories:

- Corporations
- Partnerships and limited partnerships
- Limited liability companies
- Charitable and religious organizations
- Governmental/tribal organizations
- Banks and financial institutions
- Investment firms
- Holding companies
- Trusts and trustees
- Medical providers/suppliers
- Consulting firms
- Management services companies
- Medical staffing companies
- Non-profit entities

In section 5(A)(2) of the Form CMS-855, the provider must indicate the type(s) of organizational categories the reported entity falls into.
The following principles also apply with respect to section 5:

a. **Diagrams** – In addition to completing section 5(A):

   - The provider must submit an organizational structure diagram/flowchart identifying all of the entities listed in section 5 and their relationships with the provider and each other. (This applies to the Form CMS-855A, CMS-855B and CMS-855S.)

   - If the provider is a skilled nursing facility (SNF), it must submit a diagram/flowchart identifying the organizational structures of all of its owners, including those that were not required to be listed in section 5 or 6. This must be submitted in addition to the diagram/flowchart in the previous bullet.

   These diagrams/flowcharts must be submitted for initial enrollments, revalidations, Form CMS-855 reactivations, and upon any contractor request.

b. **Percentage of Interest (section 5(B))** – The provider need not:

   - Disclose a percentage of managerial control

   - Submit documentation verifying the percentage of ownership, partnership interest or security/mortgage interest, unless the contractor requests it.

c. **Section 2** - Any entity listed as the provider in section 2 of the Form CMS-855 need not be reported in section 5A. The only exception involves governmental entities, which must be identified in section 5A even if they are already listed in section 2.

d. **Governmental and Tribal Organization Letter** - For governmental and tribal organizations, the letter referred to in the Form CMS-855 instructions for section 5 must be signed by an appointed or elected official of the governmental or tribal entity who has the authority to legally and financially bind the governmental or tribal entity to the laws, regulations, and program instructions of Medicare. This governmental or tribal official is not required to be an authorized official, or vice versa.

e. **Non-Profit Organizations** - Many non-profit organizations are charitable or religious in nature, and are operated and/or managed by a Board of Trustees or other governing body. The actual name of the Board of Trustees or other governing body must be listed in section 5A of the Form CMS-855. The provider must submit a copy of its 501(c)(3) approval notification for non-profit status. If it does not possess such documentation but nevertheless claims it is a non-profit entity, the provider may submit any other documentation that supports its claim (e.g., written documentation from the State).

   Governmental and tribal entities need not submit a copy of a 501(c)(3) if it is otherwise obvious to the contractor that the entity is a governmental or tribal entity. The contractor can assume that the governmental or tribal entity is non-profit.
f. IRS CP-575 - Owning/managing organizations need not furnish an IRS CP-575 document unless requested by the contractor (e.g., the contractor discovers a potential discrepancy between the organization’s reported legal business name and tax identification number.

g. Documentation – Proof of ownership, managerial control, security interest, etc., need not be submitted unless the contractor requests it. This also means that articles of incorporation, partnership agreements, etc., need not be submitted absent a contractor’s request.

h. Partnerships – Only partnership interests in the enrolling provider need be disclosed in section 5. Partnership interests in the provider’s indirect owners need not be reported. However, if the partnership interest in the indirect owner results in a greater than 5 percent indirect ownership interest in the enrolling provider, this indirect ownership interest would have to be disclosed in section 5.

i. Disregarded Entities – In general, a “disregarded entity” is a term the IRS uses for an LLC that – for federal tax purposes only – is effectively indistinguishable from its single owner/member. The LLC’s income and expenses are shown on the owner’s personal tax return. The LLC itself does not pay taxes.

If an enrolling provider claims that it is a disregarded entity, the contractor need not obtain written confirmation of this from the provider notwithstanding the instruction in section 17 of the Form CMS-855 that such confirmation is required. As a disregarded entity does not receive a CP-575 form from the IRS confirming its legal business name (LBN) and tax identification number (TIN), the contractor may accept from the enrolling provider any government form (such as a W-9) that lists its LBN and TIN. The disregarded entity’s LBN and TIN shall be listed in section 2B1 of the Form CMS-855.

15.5.6 – Owning and Managing Individuals
(Rev. 459, Issued: 04-12-13, Effective: 05-13-13, Implementation: 05-13-13)

(This section applies to section 6 of the Form CMS-855A, the Form CMS-855B, and the Form CMS-855I.)

All individuals who have any of the following must be listed in section 6A:

1. A 5 percent or greater direct or indirect ownership interest in the provider.

2. A 5 percent or greater mortgage or security interest in the provider.

(See section 15.5.5 of this chapter for more information on direct and indirect ownership, and on mortgage and security interests.)
3. Any general partnership interest in the provider, regardless of the percentage. This includes: (1) all interests in a non-limited partnership, and (2) all general partnership interests in a limited partnership.

4. For limited partnerships, any limited partnership interest that is 10 percent or greater.

5. Managing control of the provider. (For purposes of enrollment, such a person is considered to be a “managing employee.” A managing employee is any individual, including a general manager, business manager, office manager or administrator, who exercises operational or managerial control over the provider's business, or who conducts the day-to-day operations of the business. A managing employee also includes any individual who is not an actual W-2 employee but who, either under contract or through some other arrangement, manages the day-to-day operations of the business.)

6. Officers and directors/board members, if – and only if - the applicant is a corporation. (For-profit and non-profit corporations must list all of their officers and directors. If a non-profit corporation has “trustees” instead of officers or directors, these trustees must be listed in section 6 of the Form CMS-855.) Only officers and directors of the enrolling provider must be reported. Board members of the provider’s indirect owners need not be disclosed to the extent they are not otherwise required to be reported (e.g., as an owner or managing employee) in section 6. However, there may be situations where the officers and directors/board members of the enrolling provider’s corporate owner/parent also serve as the enrolling provider’s officers and directors/board members. In such cases – and again assuming that the provider is a corporation – the indirect owner’s officers and directors/board members would have to be disclosed as the provider’s officers and directors/board members in section 6.

With respect to corporations, the term “director” refers to members of the board of directors. If a corporation has, for instance, a Director of Finance who nonetheless is not a member of the board of directors, he/she would not need to be listed as a director/board member in section 6. However, he/she may need to be listed as a managing employee in section 6.

In addition:

- The provider need not disclose a percentage of: (1) control as an officer or director, (2) W-2 or contracted managerial control, or (3) operational control. Also, the provider need not submit documentation verifying the percentage of ownership, partnership interest or security/mortgage interest, unless the contractor requests it.

- Government entities need only list their managing employees in section 6 of the Form CMS-855, as they do not have owners, partners, corporate officers, or corporate directors.
The applicant must list at least one managing employee in section 6 if it is completing the Form CMS-855A or the Form CMS-855B. An individual completing the Form CMS-855I need not list a managing employee if he/she does not have one.

All managing employees at any of the practice locations listed in section 4C of the Form CMS-855I must be reported in section 6A. However, individuals who: (1) are employed by hospitals, health care facilities, or other organizations shown in section 4C (e.g., the chief executive officer of a hospital listed in section 4C), or (2) are managing employees of any group/organization to which the practitioner will be reassigning his/her benefits, need not be reported.

The contractor need not request a copy of the individual’s W-2 to confirm that he/she is a W-2 employee (as opposed to a contracted employee), although it reserves the right to do so.

Proof of ownership, managerial control, security interests, etc., need not be submitted unless the contractor requests it.

Only partnership interests in the enrolling provider need be disclosed. Partnership interests in the provider’s indirect owners need not be reported. Of course, if the partnership interest in the indirect owner results in a greater than 5 percent indirect ownership interest in the enrolling provider, this indirect ownership interest would have to be disclosed in section 6.

See section 15.5.6.1 of this chapter for special instructions regarding the reporting of tax identification numbers of owning and managing individuals.

15.5.6.1 – Tax Identification Numbers (TINs) of Owning and Managing Organizations and Individuals
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

Consistent with sections 1124 and 1124A of the Social Security Act, the TINs (employer identification numbers or social security numbers) of all entities and individuals listed in sections 5 and 6, respectively, of the Form CMS-855 must be disclosed. If the contractor receives an initial, reactivation, revalidation, or change of ownership application from a provider and the provider fails to disclose the TIN of a particular organization or individual listed in section 5 or 6, the contractor shall follow normal development procedures for requesting the TIN. In doing so, if the contractor learns or determines that the TIN was not furnished because the entity or person in question is foreign, the contractor shall take the following steps:

a. The contractor shall ask the provider (via any means) whether the person or entity is able to obtain a TIN or, in the case of individuals, an individual taxpayer identification number (ITIN). (Only one inquiry is needed.)
(1) If the provider fails to respond to the contractor’s inquiry within 30 days, the contractor shall follow the instructions in (c) below.

(2) If the provider states that the person or entity is able to obtain a TIN or ITIN, the contractor shall send an e-mail, fax, or letter to the provider stating that (i) the person or entity must obtain a TIN/ITIN, and (ii) the provider must furnish the TIN/ITIN on the Form CMS-855 with a newly-signed certification statement within 90 days of the contractor’s request.

(3) If the provider states that the person or entity is unable to obtain a TIN or ITIN, the contractor shall send an e-mail, fax, or letter to the provider stating that (i) the provider must submit written documentation to the contractor explaining why the person or entity cannot legally obtain a TIN or ITIN, and (ii) the explanation – which can be in any written format and may be submitted electronically or via fax – must be submitted within 30 days of the contractor’s request.

b. If the provider timely submits the explanation in (a)(3) above, the contractor shall forward the explanation to its CMS Provider Enrollment & Oversight Group Business Function Lead (PEOG BFL). PEOG will notify the contractor as to how the application should be handled.

c. If the provider fails to timely respond to the contractor’s inquiry in (a) or fails to timely furnish the TIN/ITIN in (a)(2), the contractor shall – unless another CMS instruction directs otherwise - reject the application in accordance with the procedures identified in this chapter.

In addition:

• If the contractor exceeds timeliness standards on a particular application because of the procedures outlined in this section, the contractor shall document the provider file in accordance with section 15.7.3 of this chapter.

For purposes of this section 15.5.6.1 only, the term “change of ownership” - as used in the first paragraph of this section - refers to (1) CHOW, acquisition/merger, and consolidation applications submitted by the new owner, (2) change in majority ownership applications submitted by a home health agency, and (3) change of information applications in which a new entity or individual (e.g., owner, managing employee, corporate director) is being added in section 5 or 6.

15.5.7 – Chain Organizations
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

(This section only applies to the Form CMS-855A.)

All providers that are currently part of a chain organization or are joining a chain organization must complete section 7 with information about the chain home office.
Under 42 CFR §421.404, a “home office” means the entity that provides centralized management and administrative services to the providers or suppliers under common ownership and common control, such as centralized accounting, purchasing, personnel services, management direction and control, and other similar services. Other definitions relevant to chain organizations (and which are in § 421.404) include:

- **Chain provider** - A group of two or more providers under common ownership or control.

- **Common control** - Exists when an individual, a group of individuals, or an organization has the power, directly or indirectly, to significantly influence or direct the actions or policies of the group of suppliers or eligible providers.

- **Common ownership** – Exists when an individual, a group of individuals, or an organization possesses significant equity in the group of suppliers or eligible providers.

The contractor shall not delay its processing of the provider’s application while awaiting the issuance of a chain home office number (i.e., a determination as to whether a set of entities qualifies as a chain organization). Such an issuance/determination is not required for a recommendation for approval.

In addition, the contractor shall ensure that:

- The chain home office is identified in section 5A and that final adverse action data is furnished in section 5B. (For purposes of provider enrollment, a chain home office automatically qualifies as an owning/managing organization.) Note that a National Provider Identifier (NPI) is typically not required for a chain home office.

- The chain home office administrator is identified in section 6A and that final adverse action data for the administrator is furnished in section 6B. (For purposes of provider enrollment, a chain home office administrator is automatically deemed to have managing control over the provider.)

For more information on chain organizations, refer to:

- Pub. 100-04, chapter 1, sections 20.3 through 20.3.6
- 42 CFR §421.404
- CMS change request 5720

15.5.8 – Billing Agencies
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

(Unless otherwise stated, this section applies to the Form CMS-855A, the Form CMS-
A billing agency is an entity that furnishes billing and collection services on behalf of a provider or supplier. A billing agency is not enrolled in the Medicare program. A billing agency submits claims to Medicare in the name and billing number of the provider or supplier that furnished the service or services. In order to receive payment directly from Medicare on behalf of a provider or supplier, a billing agency must meet the conditions described in § 1842(b)(6)(D) of the Social Security Act.

The provider shall complete section 8 of the Form CMS-855 with information about all billing agents it utilizes. As all Medicare payments must be made via electronic funds transfer, the contractor need not verify the provider’s compliance with the “Payment to Agent” rules in CMS Publication 100-04, chapter 1, section 30.2. The only exception is if the contractor discovers that the “special payments” address in section 4 of the provider’s Form CMS-855 application belongs to the billing agent or agency. In this situation, the contractor may obtain a copy of the billing agreement if it has reason to believe that the arrangement violates the “Payment to Agent” rules.

If the chain organization listed in section 7 of the Form CMS-855A also serves as the provider’s billing agent, the chain must be listed in section 8 as well.

For further information on billing agencies, see CMS Publication 100-04, chapter 1, section 30.2.4.

15.5.9 – Reserved for Future Use
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)

15.5.10 – Reserved for Future Use
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)

15.5.11 – Reserved for Future Use
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)

15.5.12 – Special Requirements for Home Health Agencies (HHAs)
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

(This section only applies to the Form CMS-855A.)

A. Capitalization

For initial applications, the contractor shall verify that the HHA meets all of the capitalization requirements addressed in 42 CFR §489.28. (Note that capitalization need not be reviewed for revalidation or reactivation applications.) The contractor may request from the provider any and all documentation deemed necessary to perform this task. Failure to meet the capitalization requirements shall result in a denial or revocation, as appropriate. For more information on HHA capitalization, see §489.28
and section 15.26.2 of this chapter.

B. Nursing Registries

If the HHA checks “yes” in section 12B, the contractor shall ensure that the information furnished about the HHA nursing registry is accurate. (A nursing registry is akin to a staffing agency, whereby a private company furnishes nursing personnel to hospitals, clinics, and other medical providers.)

15.5.13 – Contact Persons
(Rev. 525, Issued: 06-27-14, Effective: 07-29-14, Implementation: 07-29-14)

Unless stated otherwise in this chapter or in another CMS directive - or unless the provider requests that the contractor communicate with only a specific individual (e.g., an authorized official) or via specific means (e.g., only via the correspondence address e-mail) - the contractor has the discretion to use the contact persons listed in section 13 of the Form CMS-855 for all written and oral communications (e.g., mail, e-mail, telephone) related to the provider’s Medicare enrollment. Such communication need not be restricted to a particular enrollment application of the provider’s that the contractor is currently processing. Nor is the contractor required (again, unless either CMS or the provider directs otherwise) to send certain materials to the correspondence mailing or e-mail address rather than the contact person’s mailing or e-mail address.

The provider may have as many contact persons as it wishes.

If the contractor discovers that a particular contact person qualifies as an owning or managing individual, the provider shall list the person in section 6 of the application.

If multiple contact persons are listed, the contractor has the discretion to select the individual to contact unless the provider indicates otherwise via any means. In addition:

- The contractor may use multiple contact persons throughout the enrollment process; it need not use the same individual for the entire duration unless, again, the provider indicates otherwise.

- All contact persons shall be stored in PECOS and shall not be removed unless the provider requests the removal via letter, e-mail, or fax.

15.5.14 – Reserved for Future Use
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)

15.5.15 – Authorized Officials
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

Unless indicated otherwise below or in another CMS directive, the instructions in
sections 15.5.15.1 and 15.5.15.2 apply to: (1) signatures on the paper Form CMS-855, (2) signatures on the certification statement for Internet-based Provider Enrollment, Chain and Ownership System (PECOS) applications, and (3) electronic signatures.

15.5.15.1 – Form CMS-855I Signatories
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

The enrolling or enrolled physician or non-physician practitioner is the only person who can sign the Form CMS-855I. (This applies to initial enrollments, changes of information, reactivations, etc.) This includes solely-owned entities listed in section 4A of the Form CMS-855I. A physician or non-physician practitioner may not delegate the authority to sign the Form CMS-855I on his/her behalf to any other person.

15.5.15.2 – Form CMS-855A and Form CMS-855B Signatories
(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

For Form CMS-855A and CMS-855B initial applications, the certification statement must be signed and dated by an authorized official of the provider. (See section 15.1.1 of this chapter for a definition of “authorized official.”) The provider can have an unlimited number of authorized officials, so long as each meets the definition of an authorized official. Section 6 of the Form CMS-855 must be completed for each authorized official.

If an authorized official is listed as a “Contracted Managing Employee” in section 6 of the Form CMS-855 and does not qualify as an authorized official under some other category in section 6, he/she cannot be an authorized official. The contractor shall notify the provider accordingly. If the person is not listed as a “Contracted Managing Employee” in section 6 and the contractor has no reason to suspect that the person does not qualify as an authorized official, no further investigation is required. Should the contractor have doubts that the individual qualifies as an authorized official, it shall contact the official or the applicant's contact person to obtain more information about the official's job title and/or authority to bind. If the contractor remains unconvinced that the individual qualifies as an authorized official, it shall notify the provider that the person cannot be an authorized official. If that person is the only authorized official listed and the provider refuses to use a different authorized official, the contractor shall deny the application.

An authorized official must be a 5 percent direct owner, chairman of the board, etc., of the enrolling provider. One cannot use his/her status as the chief executive officer, chief financial officer, etc., of the provider’s parent company, management company, or chain home office as a basis for his/her role as the provider’s authorized official.

In addition:
1. Original Signatures - For non-electronic signatures, the signature of an authorized official must be original. Faxed, stamped, or photocopied signatures cannot be accepted.

2. Deletion of Authorized Official - If an authorized official is being deleted, the contractor need not obtain (1) that official’s signature, or (2) documentation verifying that the person is no longer an authorized official.

3. Change in Authorized Officials - A change in authorized officials does not impact the authority of existing delegated officials to report changes and/or updates to the provider's enrollment data or to sign revalidation applications.

4. Authorized Official Not on File - If the provider submits a change of information (e.g., change of address) and the authorized official signing the form is not on file, the contractor shall ensure that: (1) the person meets the definition of an authorized official, and (2) section 6 of the Form CMS-855 is completed for that person. The signature of an existing authorized official is not needed in order to add a new authorized official. Note that the original change request and the addition of the new official shall be treated as a single change request (i.e., one change request encompassing two different actions) for purpose of enrollment processing and reporting.

5. Effective Date - The effective date in the Provider Enrollment, Chain and Ownership System for section 15 of the Form CMS-855 should be the date of signature.

6. Social Security Number - To be an authorized official, the person must have and must submit his/her social security number (SSN). An Individual Taxpayer Identification Number (ITIN) cannot be used in lieu of an SSN in this regard.

7. Identifying the Provider – As stated earlier, an authorized official must be an authorized official of the provider, not of an owning organization, parent company, chain home office, or management company. Identifying the provider is not - for purposes of determining an authorized official’s qualifications - determined solely by the provider’s tax identification number (TIN). Rather, the organizational structure is the central factor. For instance, suppose that a chain drug store, Company X, wants to enroll 100 of its pharmacies with the contractor. Each pharmacy has a separate TIN and must therefore enroll separately. Yet all of the pharmacies are part of a single corporate entity – Company X. In other words, there are not 100 separate corporations in our scenario, but merely one corporation whose individual locations have different TINs. Here, an authorized official for Pharmacy #76, can be someone at X’s headquarters (assuming that the definition of authorized official is otherwise met), even though this main office might be operating under a TIN that is different from that of #76. This is because headquarters and Pharmacy #76 are part of the same organization/corporation. Conversely, if #76 was a corporation that was separate and distinct from Company X, only individuals that were part of #76 could be authorized officials.

8. Certification Statement Development – When the contractor develops for missing or
additional information and the provider must submit a newly-signed certification
statement, only the actual signature page is required; the additional page containing the
certification terms need not be submitted unless the contractor requests it. This applies
to the provider’s initial submission of a certification statement for a particular
application as well; such instances do not require the submission of both the signature
page and the page containing the certification terms.

15.5.16 – Delegated Officials
(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

(Unless indicated otherwise below or in another CMS directive, the instructions in this
section apply to (1) signatures on the paper Form CMS-855, (2) signatures on the
certification statement for Internet-based Provider Enrollment, Chain and Ownership
System (PECOS) applications, and (3) electronic signatures. (NOTE: This section only
applies to the Form CMS-855A and the Form CMS-855B.))

A delegated official is an individual to whom an authorized official listed in section 15
of the Form CMS-855 delegates the authority to report changes and updates to the
provider’s enrollment record or to sign revalidation applications. The delegated
official must be an individual with an “ownership or control interest” in (as that term is
defined in §1124(a)(3) of the Social Security Act), or be a W-2 managing employee of
the provider.

Section 1124(a)(3) defines an individual with an ownership or control interest as:

- A five percent direct or indirect owner of the provider,
- An officer or director of the provider (if the provider is a corporation), or
- Someone with a partnership interest in the provider, if the provider is a
  partnership

The delegated official must be a delegated official of the provider, not of an owning
organization, parent company, chain home office, or management company. One
cannot use his/her status as a W-2 managing employee of the provider’s parent
company, management company, or chain home office as a basis for his/her role as the
provider’s delegated official.

The contractor shall note the following about delegated officials:

1. Authority - A delegated official has no authority to sign an initial application.
   However, the delegated official may (i) sign a revalidation application and (ii) sign off
   on changes/updates submitted in response to a contractor’s request to clarify or submit
   information needed to continue processing the provider’s initial application.

2. Section 6 – Section 6 of the Form CMS-855 must be completed for all delegated
3. Managing Employees - For purposes of section 16 only, the term "managing employee" means any individual, including a general manager, business manager, or administrator, who exercises operational or managerial control over the provider, or who conducts the day-to-day operations of the provider. However, this does not include persons who, either under contract or through some other arrangement, manage the day-to-day operations of the provider but who are not actual W-2 employees. For instance, suppose the provider hires Joe Smith as an independent contractor to run its day-to-day operations. Under the definition of "managing employee" in section 6 of the Form CMS-855, Smith would have to be listed in that section. Yet under the section 16 definition (as described above), Smith cannot be a delegated official because he is not an actual W-2 employee of the provider. Independent contractors are not considered "managing employees" under section 16 of the Form CMS-855.

4. W-2 Form – Unless the contractor requests it to do so, the provider is not required to submit a copy of the owning/managing individual’s W-2 to verify an employment relationship.

5. Number of Delegated Officials - The provider can have as many delegated officials as it chooses. Conversely, the provider is not required to have any delegated officials. Should no delegated officials be listed, the authorized official(s) remains the only individual(s) who can report changes and/or updates to the provider's enrollment data.

6. Effective Date - The effective date in PECOS for section 16 of the Form CMS-855 should be the date of signature.

7. Social Security Number - To be a delegated official, the person must have and must submit his/her social security number. An Individual Taxpayer Identification Number (ITIN) cannot be used in lieu of an SSN in this regard.

8. Deletion - If a delegated official is being deleted, documentation verifying that the person no longer is or qualifies as a delegated official is not required. Also, the signature of the deleted official is not needed.

9. Further Delegation - Delegated officials may not delegate their authority to any other individual. Only an authorized official may delegate the authority to make changes and/or updates to the provider's Medicare data or to sign revalidation applications.

10. Delegated Official Not on File - If the provider submits a change of information (e.g., change of address) and the delegated official signing the form is not on file, the contractor shall ensure that (1) the person meets the definition of a delegated official, (2) section 6 of the Form CMS-855 is completed for that person, and (3) an existing authorized official signs off on the addition of the delegated official. (NOTE: The original change request and the addition of the new official shall be treated as a single
change request (i.e., one change request encompassing two different actions) for purpose of enrollment processing and reporting.)

11. Signature on Paper Application - If the provider submits a paper Form CMS-855 change request, the contractor may accept the signature of a delegated official in Section 15 or 16 of the Form CMS-855.

12. Certification Statement Development – When the contractor develops for missing or additional information and the provider must submit a newly-signed certification statement, only the actual signature page is required; the additional page containing the certification terms need not be submitted unless the contractor requests it. This applies to the provider’s initial submission of a certification statement for a particular application as well; such instances do not require the submission of both the signature page and the page containing the certification terms.

15.5.17 – Supporting Documents  
(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

Documentation of the provider/supplier’s TIN is required with the CMS-855 in the following scenarios; initial enrollment, the addition of an EIN to a sole proprietor’s enrollment record, a change of legal business name, and in any instance the contractor identifies a discrepancy between an application and/or CMS-588 EFT submission and the provider/supplier’s enrollment record. The contractor does not need to develop otherwise.

When documentation of the provider’s or supplier’s TIN and/or LBN is required, the contractor may accept a CP-575, a federal tax department ticket, or any other pre-printed document from the IRS that identifies the TIN and/or LBN.

15.5.18 – Ambulance Attachment  
(Rev. 499, Issued: 12-27-13, Effective: 01-28-14, Implementation: 01-28-14)

A. Geographic Area

1. Multiple States

The applicant must list the geographic areas in which it provides services. If the supplier indicates that it provides services:

- In more than one contractor's jurisdiction, it must submit a separate Form CMS-855B to each contractor.

- In more than one state but within the same contractor jurisdiction, the contractor shall review section 15.5.4.2(D) of this chapter to determine whether a separate enrollment for the additional state is required.
2. Practice Location

For purposes of provider enrollment, the following are considered ambulance “practice locations”:

- A site at which the supplier’s vehicles are garaged
- A site from which the supplier’s personnel are dispatched
- The supplier’s base of operations (i.e., the supplier’s primary headquarters). The supplier can only have one base of operations.

Hence, if an ambulance supplier submits a Form CMS-855B to add to its enrollment record a site at which the supplier’s vehicles are garaged or from which personnel are dispatched, the supplier must pay an application fee.

3. Examples

Consider the following scenarios:

a. The ambulance supplier is enrolling and performing services in multiple states but within only 1 contractor jurisdiction: The supplier would have to list on its Form CMS-855B each city/state/zip code in which it performs services. Its base of operations and all other practice locations would also have to be listed, and all licensure/certification requirements would have to be met for each state in which it performs services. However, separate Form CMS-855B applications for each state would only be required if all 5 conditions described in section 15.5.4.2(D) of this chapter are met. (If separate applications are not required, the contractor shall still create a separate Provider Enrollment, Chain and Ownership System (PECOS) record for each state.)

b. The ambulance supplier is enrolling (and has its base of operations) in Contractor Jurisdiction X. Its vehicles perform services in X and in adjacent Contractor Jurisdiction Y: The supplier would have to enroll with X and Y. For its Contractor X CMS-855B, the supplier would have to list all of the data mentioned in Example (a) above. For its Contractor Y CMS-855B, the supplier would have to (1) list the cities/zip codes in Y in which it performs services, (2) list its Jurisdiction X base of operations and any practice locations in Jurisdiction Y, and (3) meet all licensure/certification requirements for the state(s) in Y in which the supplier performs services.

B. Licensure Information

With respect to licensure:

- The contractor shall ensure that the supplier is appropriately licensed and/or certified, as applicable.
• An air ambulance supplier that is enrolling in a State to which it flies in order to pick up patients (that is, a State other than where its base of operations is located) is not required to have a practice location or place of business in that State. So long as the air ambulance supplier meets all other criteria for enrollment in Medicare, the contractor for that State may not deny the supplier's enrollment application solely on the grounds that the supplier does not have a practice location in that State. (This policy only applies to air ambulance suppliers.)

C. Paramedic Intercept Information

Paramedic intercept services typically involves an arrangement between a basic life support (BLS) ambulance supplier and an advanced life support (ALS) ambulance supplier, whereby the latter provides the ALS services and the BLS supplier provides the transportation component. (See 42 CFR § 410.40 for more information.) If the applicant indicates that it has such an arrangement, it must attach a copy of the agreement/contract.

D. Air Ambulances

Air ambulance suppliers must submit the following:

(1) A written statement signed by the president, chief executive officer, or chief operating officer that gives the name and address of the facility where the aircraft is hangared; and

(2) Proof that the air ambulance supplier or its leasing company possesses a valid charter flight license (FAA Part 135 Certificate) for the aircraft being used as an air ambulance. Any of the following constitutes acceptable proof:

• If the air ambulance supplier or provider owns the aircraft, the owner's name on the FAA Part 135 certificate must be the same as the supplier's or provider’s name on the enrollment application.

• If the air ambulance supplier or provider owns the aircraft but contracts with an air services vendor to supply pilots, training and/or vehicle maintenance, the FAA Part 135 certificate must be issued in the name of the air services vendor. A certification from the supplier or provider must also attest that it has an agreement with the air services vendor and must list the date of that agreement. A copy of the FAA Part 135 Certificate must accompany the enrollment application.

• If the air ambulance supplier or provider leases the aircraft from another entity, a copy of the lease agreement must accompany the enrollment application. The name of the company leasing the aircraft from that other entity must be the same as the supplier's or provider’s name on the enrollment application.
The air ambulance supplier shall maintain all applicable Federal and State licenses and certifications, including pilot certifications, instrument and medical certifications and air worthiness certifications.

In addition:

- The contractor shall access the following FAA Web site on a quarterly basis to validate all licenses/certifications of air ambulance operators that are enrolled with the contractor:
  http://www.faa.gov/about/office_org/headquarters_offices/agc/operations/agc300/reports

- The contractor shall deny or revoke the enrollment of an air ambulance supplier if the supplier does not maintain its FAA certification or any other applicable licenses.

E. Hospital-Based Ambulances

An ambulance service that is owned and operated by a hospital need not complete a Form CMS-855B if:

- The ambulance services will appear on the hospital’s cost-report; and

- The hospital possesses all licenses required by the State or locality to operate the ambulance service.

If the hospital decides to divest itself of the ambulance service, the latter will have to complete a Form CMS-855B if it wishes to bill Medicare.

15.5.19 – IDTF Attachment
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)

Sections 15.5.19 through 15.5.19.7 of this chapter contain provider enrollment instructions regarding entities that must enroll as and bill for the technical component of diagnostic tests as an independent diagnostic testing facility (IDTF).

15.5.19.1 – Independent Diagnostic Testing Facility (IDTF) Standards
(Rev. 424, Issued: 06-13-12, Effective: 06-19-12, Implementation: 06-19-12)

A. IDTF Standards

Consistent with 42 CFR §410.33(g), each IDTF must certify on its Form CMS-855B enrollment application that it meets the following standards and all other requirements:

1. Operates its business in compliance with all applicable Federal and State licensure and regulatory requirements for the health and safety of patients.
• The purpose of this standard is to ensure that suppliers are licensed in the business and specialties being provided to Medicare beneficiaries. Licenses are required by State and/or Federal agencies to make certain that guidelines and regulations are being followed and to ensure that businesses are furnishing quality services to Medicare beneficiaries.

• The responsibility for determining what licenses are required to operate a supplier’s business is the sole responsibility of the supplier. The contractor is not responsible for notifying any supplier of what licenses are required or that any changes have occurred in the licensure requirements. No exemptions to applicable State licensing requirements are permitted, except when granted by the State.

• The contractor shall not grant billing privileges to any business not appropriately licensed as required by the appropriate State or Federal agency. If a supplier is found providing services for which it is not properly licensed, billing privileges may be revoked and appropriate recoupment actions taken.

2. Provides complete and accurate information on its enrollment application. Changes in ownership, changes of location, changes in general supervision, and final adverse actions must be reported to the contractor within 30 calendar days of the change. All other changes to the enrollment application must be reported within 90 days.

   NOTE: This 30-day requirement takes precedence over the certification in section 15 of the Form CMS-855B whereby the supplier agrees to notify Medicare of any changes to its enrollment data within 90 days of the effective date of the change. By signing the certification statement, the IDTF agrees to abide by all Medicare rules for its supplier type, including the 30-day rule in 42 CFR §410.33(g)(2).

3. Maintain a physical facility on an appropriate site. (For purposes of this standard, a post office box, commercial mailbox, hotel, or motel is not an appropriate site. The physical facility, including mobile units, must contain space for equipment appropriate to the services designated on the enrollment application, facilities for hand washing, adequate patient privacy accommodations, and the storage of both business records and current medical records within the office setting of the IDTF, or IDTF home office, not within the actual mobile unit.)

   • IDTF suppliers that provide services remotely and do not see beneficiaries at their practice location are exempt from providing hand washing and adequate patient privacy accommodations.

   • The requirements in 42 CFR §410.33(g)(3) take precedence over the guidelines in sections 15.5.4 and 15.5.4.2 of this chapter pertaining to the supplier’s practice location requirements.
The physical location must have an address, including the suite identifier, which is recognized by the United States Postal Service (USPS).

4. Has all applicable diagnostic testing equipment available at the physical site excluding portable diagnostic testing equipment. The IDTF must—

   (i) Maintain a catalog of portable diagnostic equipment, including diagnostic testing equipment serial numbers, at the physical site;

   (ii) Make portable diagnostic testing equipment available for inspection within 2 business days of a CMS inspection request; and

   (iii) Maintain a current inventory of the diagnostic testing equipment, including serial and registration numbers, and provide this information to the designated fee-for-service contractor upon request, and notify the contractor of any changes in equipment within 90 days.

5. Maintain a primary business phone under the name of the designated business. The IDTF must have its--

   (i) Primary business phone located at the designated site of the business or within the home office of the mobile IDTF units.

   (ii) Telephone or toll free telephone numbers available in a local directory and through directory assistance.

The requirements in 42 CFR §410.33(g)(5) take precedence over the guidelines in sections 15.5.4 and 15.5.4.2 of this chapter regarding the supplier’s telephone requirements.

IDTFs may not use “call forwarding” or an answering service as their primary method of receiving calls from beneficiaries during posted operating hours.

6. Have a comprehensive liability insurance policy of at least $300,000 per location that covers both the place of business and all customers and employees of the IDTF. The policy must be carried by a non-relative-owned company. Failure to maintain required insurance at all times will result in revocation of the IDTF’s billing privileges retroactive to the date the insurance lapsed. IDTF suppliers are responsible for providing the contact information for the issuing insurance agent and the underwriter. In addition, the IDTF must--

   (i) Ensure that the insurance policy must remain in force at all times and provide coverage of at least $300,000 per incident; and

   (ii) Notify the CMS designated contractor in writing of any policy changes or cancellations.
7. Agree not to directly solicit patients; this includes - but is not limited to - a prohibition on telephone, computer, or in-person contacts. The IDTF must accept only those patients referred for diagnostic testing by an attending physician who: (a) is furnishing a consultation or treating a beneficiary for a specific medical problem, and (2) uses the results in the management of the beneficiary’s specific medical problem. Non-physician practitioners may order tests as set forth in §410.32(a)(3).

- By the signature of the authorized official in section 15 of the Form CMS-855B, the IDTF agrees to comply with 42 CFR §410.33(g)(7).

- The supplier is prohibited from directly contacting any individual beneficiary for the purpose of soliciting business for the IDTF. This includes contacting the individual beneficiary by telephone or via door-to-door sales.

- There is no prohibition on television, radio or Internet advertisements, mass mailings, or similar efforts to attract potential clients to an IDTF.

- If the contractor determines that an IDTF is violating this standard, the contractor should notify its Provider Enrollment Operations Group (PEOG) liaison immediately.

8. Answer, document, and maintain documentation of a beneficiary’s written clinical complaint at the physical site of the IDTF. (For mobile IDTFs, this documentation would be stored at their home office.) This includes, but is not limited to, the following:

(i) The name, address, telephone number, and health insurance claim number of the beneficiary.

(ii) The date the complaint was received; the name of the person receiving the complaint; and a summary of actions taken to resolve the complaint.

(iii) If an investigation was not conducted, the name of the person making the decision and the reason for the decision.

9. Openly post these standards for review by patients and the public.

10. Disclose to the government any person having ownership, financial, or control interest or any other legal interest in the supplier at the time of enrollment or within 30 days of a change.

11. Have its testing equipment calibrated and maintained per equipment instructions and in compliance with applicable manufacturers’ suggested maintenance and calibration standards.
12. Have technical staff on duty with the appropriate credentials to perform tests. The IDTF must be able to produce the applicable Federal or State licenses or certifications of the individuals performing these services.

13. Have proper medical record storage and be able to retrieve medical records upon request from CMS or its fee-for-service contractor within 2 business days.

14. Permit CMS, including its agents, or its designated fee-for-service contractors, to conduct unannounced, on-site inspections to confirm the IDTF’s compliance with these standards. The IDTF must---

(i) Be accessible during regular business hours to CMS and beneficiaries; and

(ii) Maintain a visible sign posting its normal business hours.

15. Enrolls in Medicare for any diagnostic testing services that it furnishes to a Medicare beneficiary, regardless of whether the service is furnished in a mobile or fixed-base location.

16. Bills for all mobile diagnostic services that are furnished to a Medicare beneficiary, unless the mobile diagnostic service is part of a service provided under arrangement as described in section 1861(w)(1) of the Act. (Section 1861(w)(1) states that the term “arrangements” is limited to arrangements under which receipt of payments by the hospital, critical access hospital, skilled nursing facility, home health agency or hospice program (whether in its own right or as an agent), with respect to services for which an individual is entitled to have payment made under this title, discharges the liability of such individual or any other person to pay for the services.)

If the IDTF claims that it is furnishing services under arrangement as described in section 1861(w)(1), the IDTF must provide documentation of such with its initial or revalidation Form CMS-855 application.

The IDTF must meet all of the standards in 42 CFR §410.33 – as well as all other Federal and State statutory and regulatory requirements – in order to be enrolled in, and to maintain its enrollment in, the Medicare program. Failure to meet any of the standards in 42 CFR §410.33 or any other applicable requirements will result in the denial of the supplier’s Form CMS-855 application or, if the supplier is already enrolled in Medicare, the revocation of its Medicare billing privileges.

B. Sharing of Space and Equipment

Effective January 1, 2008, with the exception of hospital-based and mobile IDTFs, a fixed-base IDTF does not: (i) share a practice location with another Medicare-enrolled individual or organization; (ii) lease or sublease its operations or its practice location to another Medicare-enrolled individual or organization; or (iii) share diagnostic testing
equipment used in the initial diagnostic test with another Medicare-enrolled individual or organization. (See 42 CFR §410.33(g)(15).)

If the contractor determines that an IDTF is leasing or subleasing its operations to another organization or individual, the contractor shall revoke the supplier’s Medicare billing privileges.

C. One Enrollment per Practice Location

An IDTF must separately enroll each of its practice locations (with the exception of locations that are used solely as warehouses or repair facilities). This means that an enrolling IDTF can only have one practice location on its Form CMS-855B enrollment application; thus, if an IDTF is adding a practice location to its existing enrollment, it must submit a new, complete Form CMS-855B application for that location and have that location undergo a separate site visit. Also, each of the IDTF’s mobile units must enroll separately. Consequently, if a fixed IDTF site also contains a mobile unit, the mobile unit must enroll separately from the fixed location.

Each separately enrolled practice location of the IDTF must meet all applicable IDTF requirements. The location’s failure to comply with any of these requirements will result in the revocation of its Medicare billing privileges.

D. Effective Date of Billing Privileges

The filing date of an IDTF Medicare enrollment application is the date that the contractor receives a signed application that it is able to process to approval. (See 42 CFR §410.33(i).) The effective date of billing privileges for a newly enrolled IDTF is the later of the following:

(1) The filing date of the Medicare enrollment application that was subsequently approved by a Medicare fee-for-service contractor; or

(2) The date the IDTF first started furnishing services at its new practice location.

A newly-enrolled IDTF, therefore, may not receive reimbursement for services furnished before the effective date of billing privileges.

The contractor shall note that if it rejects an IDTF application and a new application is later submitted, the date of filing is the date the contractor receives the new enrollment application.

E. Leasing and Staffing

For purposes of the provisions in 42 CFR §410.33, a "mobile IDTF" does not include entities that lease or contract with a Medicare enrolled provider or supplier to provide: (1) diagnostic testing equipment; (2) non-physician personnel described in 42 CFR
§410.33(c); or (3) diagnostic testing equipment and non-physician personnel described in 42 CFR §410.33(c). This is because the provider/supplier is responsible for providing the appropriate level of physician supervision for the diagnostic testing.

15.5.19.2 – Multi-State Independent Diagnostic Testing Facilities (IDTFs)
(Rev. 424, Issued: 06-13-12, Effective: 06-19-12, Implementation: 06-19-12)

As stated in 42 CFR § 410.33(e)(1), an IDTF that operates across State boundaries must:

- Maintain documentation that its supervising physicians and technicians are licensed and certified in each of the States in which it operates; and
- Operate in compliance with all applicable Federal, State, and local licensure and regulatory requirements with regard to the health and safety of patients.

The point of the actual delivery of service means the place of service on the claim form. When the IDTF performs or administers an entire diagnostic test at the beneficiary's location, the beneficiary’s location is the place of service. When one or more aspects of the diagnostic testing are performed at the IDTF, the IDTF is the place of service.

15.5.19.3 – Interpreting Physicians
(Rev. 532, Issued: 08-01-14, Effective: 09-02-14, Implementation: 09-02-14)

The applicant shall list all physicians for whose diagnostic test interpretations it will bill. This includes physicians who will provide interpretations subject to the anti-markup payment limitation as detailed in CMS Publication 100-04, chapter 1, § 30.2.9 - whether the service is provided to the IDTF on a contract basis or is reassigned.

The contractor shall ensure and document that:

- All listed physicians are enrolled in Medicare
- All interpreting physicians who are reassigning their benefits to the IDTF have the right to do so
- The interpreting physicians listed are qualified to interpret the types of tests (codes) listed. (The contractor may need to contact another contractor to obtain this information.) If the applicant does not list any interpreting physicians, the contractor need not request additional information because the applicant may not be billing for the interpretations; that is, the physicians may be billing for the interpretation themselves.

If an interpreting physician has been recently added or changed, the new interpreting physician must have met all of the interpreting physician requirements at the time any tests were performed.
A Form CMS-855R need not accompany a Form CMS-855B application submitted by an independent diagnostic testing facility (IDTF) that employs or contracts with an interpreting physician.

15.5.19.4 – Technicians
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

Each non-physician who performs IDTF diagnostic tests must be listed. These persons are often referred to as technicians.

A. Licensure and Certification -- All technicians must meet the standards of a state license or state certification at the time of the IDTF’s enrollment. The contractor may not grant temporary exemptions from such requirements.

In lieu of requiring a copy of the technician’s certification card, the contractor may validate a technician’s credentials online via organizations such as the American Registry for Diagnostic Medical Sonography (ARDMS), the American Registry of Radiology Technologists (ARRT), and the Nuclear Medicine Technology Certification Board (NMTCB). If online verification is not available or cannot be made, the contractor shall request a copy of the technician’s certification card.

B. Changes of Technicians

If a technician is being added or changed, the updated information must be reported via a Form CMS-855B change request. The new technician must have met all of the necessary credentialing requirements at the time any tests were performed.

If the contractor receives notification from a technician that he/she is no longer performing tests at the IDTF, the contractor shall request from the supplier a Form CMS-855B change of information. If the provider did not have another technician qualified to perform the tests listed on the current application, the supplier must submit significant documentation in the form of payroll records, etc. to substantiate the performance of the test by a properly qualified technician after the date the original technician was no longer performing procedures at the IDTF.

15.5.19.5 – Supervising Physicians
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

A. General Principles

Under 42 CFR §410.33(b)(1), an independent diagnostic testing facility (IDTF) must have one or more supervising physicians who are responsible for:

- The direct and ongoing oversight of the quality of the testing performed;
• The proper operation and calibration of equipment used to perform tests; and
• The qualifications of non-physician IDTF personnel who use the equipment.

Not every supervising physician has to be responsible for all of these functions. For instance, one supervising physician can be responsible for the operation and calibration of equipment, while another supervising physician can be responsible for test supervision and the qualifications of non-physician personnel. The basic requirement, however, is that all supervising physician functions must be properly met at each location, regardless of the number of physicians involved. This is particularly applicable to mobile IDTF units that are allowed to use different supervising physicians at different locations. They may have a different physician supervise the test at each location. The physicians used need only meet the proficiency standards for the tests they are supervising.

Under 42 CFR §410.33(b)(1), each supervising physician must be limited to providing general supervision at no more than three IDTF sites. This applies to both fixed sites and mobile units where three concurrent operations are capable of performing tests.

B. Information about Supervising Physicians

The contractor shall ensure and document that each supervising physician is: (1) licensed to practice in the State(s) where the diagnostic tests he or she supervises will be performed, (2) Medicare-enrolled, and (3) not currently excluded or debarred. The physician(s) need not necessarily be Medicare-enrolled in the State where the IDTF is enrolled; moreover, the physician need not be furnishing medical services outside of his/her role as a supervising physician (i.e., he/she need not have his/her own medical practice separate from the IDTF). If the physician is enrolled in another State or with another contractor, however, the contractor shall ensure that he or she is appropriately licensed in that State.

In addition:

• Each physician of the group who actually performs an IDTF supervisory function must be listed.

• If a supervising physician has been recently added or changed, the updated information must be reported via a Form CMS-855B change request. The new physician must have met all of the supervising physician requirements at the time any tests were performed.

• If the contractor knows that a listed supervising physician has been listed with several other IDTFs, the contractor shall check with the physician to determine whether he or she is still acting as supervising physician for these other IDTFs.
• If the supervising physician is enrolling in Medicare and does not intend to perform medical services outside of his/her role as a supervising physician:

  • The contractor shall still send the physician an approval letter (assuming successful enrollment) and issue a Provider Transaction Access Number
  
  • The physician shall list the IDTF’s address as a practice location
  
  • The space-sharing prohibition in 42 CFR §410.33(g) does not apply in this particular scenario.

C. General, Direct, and Personal Supervision

Under 42 CFR §410.33(b)(2), if a procedure requires the direct or personal supervision of a physician as set forth in 42 CFR §410.32(b)(3), the contractor shall ensure that the IDTF’s supervising physician furnishes this level of supervision.

The contractor’s enrollment staff shall be familiar with the definitions of personal, direct and general supervision set forth at 42 CFR §410.32(b)(3), and shall ensure that the applicant has checked the highest required level of supervision for the tests being performed.

Each box that begins with “Assumes responsibility,” must be checked. However, as indicated previously, the boxes can be checked through the use of more than one physician.

D. Attestation Statement for Supervising Physicians

A separate attestation statement must be completed and signed by each supervising physician listed. If Question E2 is not completed, the contractor may assume – unless it has reason to suspect otherwise - that the supervising physician in question supervises for all codes listed in section 2 of the IDTF attachment. If Question E2 is completed, the contractor shall ensure that all codes listed in section 2 are covered through the use of multiple supervising physicians.

With respect to physician verification, the contractor shall:

  • Check the signature on the attestation against that of the enrolled physician.

  • Contact each supervisory physician by telephone to verify that the physician: (1) actually exists (e.g., is not using a phony or inactive physician number); (2) indeed signed the attestation; and (3) is aware of his or her responsibilities.

If the physician is enrolled with a different contractor, the contractor shall contact the latter contractor and obtain the listed telephone number of the physician.
15.5.19.6 – Desk and Site Reviews  
(Rev. 414, Issued: 04-06-12, Effective: 05-07-12, Implementation: 05-07-12)

All initial and revalidating independent diagnostic testing facility (IDTF) applicants shall receive: (1) a thorough desk review, and (2) a mandatory site visit prior to the contractor’s approval of the application. The general purposes of these reviews are to determine whether:

- The information listed on Attachment 2 of the Form CMS-855B is correct, verifiable, and in accordance with all IDTF regulatory and enrollment requirements.

- To the extent applicable, the IDTF meets the criteria outlined in section 15.19.2.2(B) of this chapter.

- The IDTF meets the supplier standards in 42 CFR § 410.33.

The contractor shall order the site visit through the Provider Enrollment, Chain and Ownership System. The National Site Visit Contractor (NSVC) will perform the site visit. The contractor shall not make a final decision regarding the application prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

A. Mobile Units

Mobile units are required to list their geographic service areas in section 4 of the Form CMS-855B. Based on the information furnished therein, the NSVC will generally perform the site visit via one of the following methods: (1) the mobile unit visits the office of the NSVC (or some other agreed-to location) for inspection, (2) the NSVC visits the mobile unit’s base of operations to inspect the unit, or (3) the NSVC obtains an advance schedule of the locations at which the IDTF will be performing services and conducts the site visit at one of those locations.

Units that are performing CPT-4 or HCPCS code procedures that require direct or personal supervision mandate special attention. To this end, the contractor shall maintain a listing of all mobile IDTFs that perform procedure codes that require such levels of supervision. The contractor shall also discuss with the applicant and all supervising physicians listed:

- How they will perform these types of supervision on a mobile basis;

- What their responsibilities are; and

- That a patient’s physician who is performing direct or personal supervision for the IDTF on their patient should be aware of the prohibition concerning physician self-referral for testing (in particular, this concerns potentially illegal compensation to the supervisory physician from the IDTF).
B. Addition of Codes

An enrolled IDTF that wants to perform additional CPT-4 or HCPCS codes must submit a Form CMS-855B change request. If the additional procedures are of a type and supervision level similar to those previously reported (e.g., an IDTF that performs MRIs for shoulders wants to perform MRIs for hips), a new site visit is typically not required, though the contractor reserves the right to request that the NSVC perform one.

If, however, the enrolled IDTF wants to perform additional procedures that are not similar to those previously reported (e.g., an IDTF that conducts sleep studies wants to perform ultrasound tests or skeletal x-rays), the contractor shall order an NVSC site visit through PECOS. All IDTF claims for the additional procedures shall be suspended until the IDTF: (1) passes all enrollment requirements for the additional procedures (e.g., supervisory physician, non-physician personnel, equipment), and (2) presents evidence that all requirements for the new procedures were met when the tests were actually performed.

If the enrolled IDTF originally listed only general supervision codes, was only reviewed for only general supervision tests, and now wants to perform tests that require direct or personal supervision, the contractor shall promptly suspend all payments for all codes other than those requiring general supervision. The contractor shall order an NSVC site visit through PECOS. All IDTF claims for the additional procedures shall be suspended until the IDTF: (1) passes all enrollment requirements for the additional procedures (e.g., supervisory physician, non-physician personnel, equipment), and (2) presents evidence that all requirements for the new procedures were met when the tests were actually performed.

In the situations described in the two previous paragraphs, the contractor shall not approve the application prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

15.5.19.7 – Special Procedures and Supplier Types
(Rev. 424, Issued: 06-13-12, Effective: 06-19-12, Implementation: 06-19-12)

A. Diagnostic Mammography

If an independent diagnostic testing facility (IDTF) performs diagnostic mammography services, it must have a Food and Drug Administration (FDA) certification to perform the mammography. However, an entity that only performs diagnostic mammography services should not be enrolled as an IDTF. Rather, it should be separately enrolled as a mammography screening center.

B. CLIA Tests

An IDTF may not perform or bill for CLIA tests. However, an entity with one tax identification number (TIN) may own both an IDTF and an independent CLIA
laboratory. In such a situation, they should be separately enrolled and advised to bill separately. The contractor shall also advise its claims unit to ensure that the CLIA codes are not being billed under the IDTF provider number.

15.5.20 – Processing Form CMS-855R Applications  
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

A. General Information

A Form CMS-855R application must be completed for any individual who will: (1) reassign his/her benefits to an eligible entity, or (2) terminate an existing reassignment.

If the individual who wants to reassign his or her benefits is not enrolled in Medicare, the person must complete a Form CMS-855I as well as a Form CMS-855R. (The CMS-855I and CMS-855R can be submitted concurrently.) Moreover, if the entity to which the person’s benefits will be reassigned is not enrolled in Medicare, the organization must complete a Form CMS-855B or, if applicable, a Form CMS-855A. (See section 15.7.6 for additional instructions regarding the joint processing of Form CMS-855As, Form CMS-855Rs, Form CMS-855Bs, and Form CMS-855Is.)

Benefits are reassigned to a provider or supplier, not to the practice location(s) of the provider or supplier. As such, the contractor shall not require each practitioner in a group to submit a Form CMS-855R each time the group adds a practice location.

An individual can receive reassigned benefits. The most common example of this is a physician or practitioner who reassigns his/her benefits to a physician who is either (1) a sole proprietor, or (2) the sole owner of an entity listed in section 4A of the Form CMS-855I. Here, the only forms that are necessary are the Form CMS-855R and separate Form CMS-855Is from the reassignor and the reassignee. (No Form CMS-855B or Form CMS-855A is involved.) The reassignee himself/herself must sign section 4B of the Form CMS-855R, as there is no authorized or delegated official involved.

The contractor shall follow the instructions in Pub. 100-04, Chapter 1, sections 30.2 – 30.2.16 to ensure that a physician or other provider or supplier is eligible to receive reassigned benefits.

B. Reassignment to Entities that Complete the Form CMS-855A

Consistent with 42 CFR §424.80(b)(1) and (b)(2) and Pub. 100-04, Chapter 1, sections 30.2.1(D) and (E) and 30.2.6 and 30.2.7 - Medicare may pay: (1) a physician or other provider or supplier’s employer if the provider or supplier is required, as a condition of employment, to turn over to the employer the fees for his or her services; or (2) an entity (i.e., a person, group, or facility) that is enrolled in the Medicare program for services furnished by a physician or other provider or supplier under a contractual arrangement with that entity. This means that Part A and Part B entities other than
physician/practitioner group practices can receive reassigned benefits, assuming the requirements for a reassignment exception are met. For example, on the Part A side, this might occur with (1) a physician or other provider or supplier reassigning benefits to a hospital, skilled nursing facility, or critical access hospital billing under Method II (CAH II) or (2) a nurse practitioner reassigning to a CAH II.

If the entity receiving the reassigned benefits is not a CAH II, it must enroll with the contractor via a Form CMS-855B, and the physician/practitioner reassigning benefits must complete and submit a Form CMS-855I and Form CMS-855R.

If the entity receiving the reassigned benefits is a CAH II, the entity need not and should not complete a separate Form CMS-855B form to receive reassigned benefits. The physician/practitioner can reassign benefits directly to the CAH II’s, Part A enrollment. The distinction between CAHs billing Method I vs. Method II only applies to outpatient services; it does not apply to inpatient services.

Under Method I:
- The CAH bills for facility services
- The physicians/practitioners bill separately for their professional services

Under Method II:
- The CAH bills for facility services
- If a physician/practitioner has reassigned his/her benefits to the CAH, the CAH bills for that particular physician’s/practitioner’s professional service
- If a CAH has elected Method II, the physician/practitioner is not required to reassign his or her benefits to the CAH. For those physicians/practitioners who do not reassign their benefits to the CAH, the CAH only bills for facility services and the physicians/practitioners separately bill for their professional services (similar to Method I).

Although physicians or non-physician practitioners are not required to reassign their benefits to a CAH that bills Method II, doing so allows them to participate in the Electronic Health Records (EHR) Incentive Program for Eligible Professionals (EPs).

In this scenario the CMS-855I and CMS-855R shall be submitted to the Part B MAC and the CMS-855A submitted to the Part A MAC. The Part B MAC shall be responsible for reassigning the individual to the Part A entity.

The reassignment to the Part A entity shall only occur if the CMS-855A for the CAH II has been finalized. This can be determined by viewing PECOS to identify if an approved enrollment exists for the CAH II. If one does not, the Part B MAC shall return the CMS-855I and/or CMS-855R to the provider. If an enrollment record exist but is in an Approved Pending RO Review status, the Part B MAC shall contact the Part A MAC to determine if the Tie-In has been received from the RO but not yet updated in PECOS, prior to returning the applications.
C. Ambulatory Surgical Centers (ASCs) and Reassignment

Physicians and non-physician practitioners who meet the reassignment exceptions in 42 CFR §424.80, and Pub. 100-04, chapter 1, sections 30.2.6 and 30.2.7, may reassign their benefits to an ASC.

If a physician or non-physician practitioner wishes to reassign its benefits to an existing (that is, a currently-enrolled) ASC, both the individual and the entity must sign the CMS-855R. However, it is not necessary for the ASC to separately enroll as a group practice in order to receive benefits. It can accept reassignment as an ASC.

D. Reassignment and Revoked/Deceased Physicians and Non-Physician Practitioners

There are situations where a physician/non-physician practitioner (the “owning physician/practitioner”) owns 100% of his/her own practice, employs another physician (the “employed physician/practitioner”) to work with him/her, and accepts reassigned benefits from the employed physician/practitioner. Should the sole proprietor or sole owner die or have his/her billing privileges revoked, the practice is automatically dissolved for purposes of Medicare enrollment and all reassignments to the practice are automatically terminated as well. Neither the owning physician/practitioner nor the practice is enrolled in Medicare any longer and the billing privileges for both shall be revoked in accordance with the revocation procedures outlined in this chapter. (It is immaterial whether the practice was established as a sole proprietorship, a PC, a PA, or a solely-owned LLC.) In addition, the contractor shall end-date the reassignment using, as applicable, the date of death or the effective date of the revocation.

Besides revoking the billing privileges of the owning physician/practitioner and the practice, the contractor shall notify the employed physician/practitioner that:

1. The practice’s billing privileges have been revoked;
2. Any services furnished by him/her on behalf of the practice after the date of the owning physician/practitioner’s death will not be paid; and
3. If the employed physician/practitioner wishes to provide services at the former practice’s location, he/she must submit via Internet-based PECOS (or a paper CMS-855 application) a CMS-855I change of information request to add the owning physician/practitioner’s practice location as a new location of the employed physician/practitioner. For purposes of this section 15.5.20(C)(3) only, submission of a (1) complete CMS-855I application as an initial enrollment and (2) a terminating CMS-855R application are not required – even if the employed physician/non-physician practitioner had reassigned all of his/her benefits to the practice.

E. Miscellaneous Reassignment Policies
1. If the individual is initiating a reassignment, both he/she and the group’s authorized or delegated official must sign section 6 of the Form CMS-855R. If either of the two signatures is missing, the contractor shall develop for it.

2. If the person (or group) is terminating a reassignment, either party may sign section 6 of the Form CMS-855R; obtaining both signatures is not required. If no signatures are present, the contractor shall develop for a signature.

3. A Form CMS-855R is required to terminate a reassignment. The termination cannot be done via the Form CMS-855I.

4. The authorized or delegated official who signs section 6 of the Form CMS-855R must be currently on file with the contractor as such. If this is a new enrollment - with a joint submission of the Form(s) CMS-855A or CMS 855B, Form CMS-855I, and Form CMS-855R, the person must be listed on the CMS-855A or CMS-855B as an authorized or delegated official.

5. If the reassignor currently has an active Form CMS-855I on file and is only submitting a Form CMS-855R to establish a new reassignment, the effective date shall be the date the practitioner began or will begin rendering services with the reassignee. If the Form CMS-855R is accompanied by a Form CMS-855I, the effective date of the enrollment and the reassignment shall be consistent with the 30-day rule (i.e., the later of the date of filing or the date the reassignor first began furnishing services at the new location) specified in section 15.17 of this chapter.

6. The contractor need not verify whether the reassigning individual is a W-2 employee or a 1099 contractor.

7. There may be situations where a Form CMS-855R is submitted and the reassignee is already enrolled in Medicare via the Form CMS-855B. However, the authorized official is not on file. In this case, the contractor shall develop for a Form(s) CMS-855A or CMS-855B change request that adds the new authorized official.

8. In situations where the provider or supplier is both adding and terminating a reassignment, each transaction must be reported on a separate Form CMS-855R. The same Form CMS-855R cannot be used for both transactions.

9. The Form CMS-855R application shall not be used to:

   - Report employment arrangements of physician assistants (PA); employment arrangements for PAs must be reported on the Form CMS-855I.
   - Revalidate reassignments; the individual practitioner should only use the Form CMS-855I application for revalidations and list his/her active reassignment information in section 4B thereof.
15.5.20.1 – Inter-Jurisdictional Reassignments
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

A. General Policy

If a physician/NPP (reassignor) is reassigning his or her benefits to an entity (reassignee) located in another contractor jurisdiction – a practice that is permissible - the following principles apply:

1. The reassignor must be properly licensed or otherwise authorized to perform services in the state in which he or she has his or her practice location. The practice location can be an office or even the individual’s home (for example, a physician interprets test results in his home for an independent diagnostic testing facility).

2. The reassignor need not – pursuant to the reassignment - enroll in the reassignee’s contractor jurisdiction nor be licensed/authorized to practice in the reassignee’s state. If the reassignor will be performing services within the reassignee’s state, the reassignor must enroll with the Medicare contractor for – and be licensed/authorized to practice in – that state.

3. The reassignee must enroll in the contractor jurisdictions in which (1) it has its own practice location(s), and (2) the reassignor has his or her practice location(s). In Case (2), the reassignee:

   - Shall identify the reassignor’s practice location as its practice location on its Form CMS-855B
   - In Section 4A of its Form CMS-855B shall select the practice location type as “Other health care facility” and specify “Telemedicine location.”
   - Need not be licensed/authorized to perform services in the reassignor’s state.

To illustrate, suppose Dr. Smith is located in Contractor Jurisdiction X and is reassigning his benefits to Jones Medical Group in Contractor Jurisdiction Y. Jones must enroll with X and with Y. Jones need not be licensed/authorized to perform services in Dr. Smith’s state. However, in Section 4 of the Form CMS- 855B it submits to X, Jones must list Dr. Smith’s location as its practice location.

B. Applicability

The term "reassignee," as used in section 15.5.20.1(A), includes any provider or supplier that is permitted to bill and receive payment under a reassignment, in accordance with existing Medicare policy.

15.6 - Timeliness and Accuracy Standards
(Rev. 509, Issued: 03-27-14, Effective: 01-01-14, Implementation: 06-02-14)
Sections 15.6.1 through 15.6.3 of this chapter address the timeliness and accuracy standards applicable to the processing of Form CMS-855 applications. Even though the provisions of 42 CFR §405.818 contain processing timeframes that differ than those in sections 15.6.1 through 15.6.3, the contractor shall adhere to the standards specified in sections 15.6.1 through 15.6.3.

The processing of an application generally includes, but is not limited to, the following activities:

- Receipt of the application in the contractor’s mailroom and forwarding it to the appropriate office for review.
- Prescreening the application.
- Creating a logging and tracking (L & T) record and an enrollment record in the Provider Enrollment, Chain and Ownership System (PECOS).
- Ensuring that the information on the application is verified.
- Requesting and receiving clarifying information.
- Site visit (if necessary).
- Formal notification to the SA and/or RO of the contractor’s approval, denial or recommendation for approval of the application.

**15.6.1 – Standards for Initial Applications**

(Rev. 474, Issued: 07-05-13, Effective: 10-08-13, Implementation: 10-08-13)

For purposes of sections 15.6.1.1 through 15.6.1.4 of this chapter, the term “initial applications” also includes:

1. Form CMS-855 change of ownership, acquisition/merger, and consolidation applications submitted by the new owner.

2. “Complete” Form CMS-855 applications submitted by enrolled providers: (a) voluntarily, (b) as part of any change request if the provider does not have an established enrollment record in the Provider Enrollment, Chain and Ownership System (PECOS), (c) as a Form CMS-855 reactivation, or (d) as a revalidation.

3. Reactivation certification packages (as described in sections 15.27.1.2.1 and 15.27.1.2.2 of this chapter).

**15.6.1.1 - Paper Applications - Timeliness**

(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)
For purposes of sections 15.6.1.1.2 though 15.6.1.1.4 below, the term “development” means that the contractor needs to contact the supplier for additional information. (A prescreening letter to the provider is considered to be the first developmental request.)

15.6.1.1.1 – Form CMS-855 Applications That Require a Site Visit
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

The contractor shall process 80 percent of all Form CMS-855 initial applications that require a site visit within 80 calendar days of receipt, process 90 percent of all Form CMS-855 initial applications that require a site visit within 150 calendar days of receipt, and process 95 percent of all Form CMS-855 initial applications that require a site visit within 210 calendar days of receipt.

15.6.1.1.2 – Form CMS-855 Applications That Do Not Require a Site Visit
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

The contractor shall process 80 percent of all Form CMS-855 initial applications that do not require a site visit within 60 calendar days of receipt, process 90 percent of all Form CMS-855 initial applications that do not require a site visit within 120 calendar days of receipt, and process 95 percent of all Form CMS-855 initial applications that do not require a site visit within 180 calendar days of receipt.

15.6.1.3.1 – Web-Based Applications That Require A Site Visit
(Rev. 509, Issued: 03-27-14, Effective: 01-01-14, Implementation: 06-02-14)

The contractor shall process 80 percent of all Form CMS-855 Web-based initial applications that require a site visit within 80 calendar days of receipt, process 90 percent of all Form CMS-855 Web-based initial applications that require a site visit within 90 calendar days of receipt, and process 95 percent of all Form CMS-855 Web-based initial applications that require a site visit within 120 calendar days of receipt. This process generally includes, but is not limited to:

- Receipt of the provider’s certification statement in the contractor’s mailroom and forwarding it to the appropriate office for review.
- Verification of the application in accordance with existing instructions.
- Requesting and receiving clarifying information in accordance with existing instructions.
- Supplier site visit.
- Formal notification of the contractor’s decision or recommendation (and providing the appropriate appeal rights, as necessary).
15.6.1.3.2 – Web-Based Applications That Do Not Require A Site Visit
(Rev. 509, Issued: 03-27-14, Effective: 01-01-14, Implementation: 06-02-14)

The contractor shall process 80 percent of all Form CMS-855 Web-based initial applications that do not require a site visit within 45 calendar days of receipt, process 90 percent of all Form CMS-855 Web-based initial applications that do not require a site visit within 60 calendar days of receipt, and process 95 percent of all Form CMS-855 Web-based initial applications that do not require a site visit within 90 calendar days of receipt. This process generally includes, but is not limited to:

- Receipt of the provider’s certification statement in the contractor’s mailroom and forwarding it to the appropriate office for review.
- Verification of the application in accordance with existing instructions.
- Requesting and receiving clarifying information in accordance with existing instructions.

Formal notification of the contractor’s decision or recommendation (and providing the appropriate appeal rights, as necessary).

15.6.1.2 - Paper Applications – Accuracy
(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

The contractor shall process 98 percent of paper CMS-855 initial applications in full accordance with all of the instructions in this chapter (with the exception of the timeliness standards identified in sections 15.6.1.1.1 through 15.6.1.1.4 of this chapter) and all other applicable CMS directives.

15.6.1.3 - Web-Based Applications - Timeliness
(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

The contractor shall process 90 percent of Form CMS-855 Web-based initial applications within 45 calendar days of receipt, process 95 percent of Form CMS-855 Web-based initial applications within 60 calendar days of receipt, and process 99 percent of Form CMS-855 Web-based initial applications within 90 calendar days of receipt. This process generally includes, but is not limited to:

- Receipt of the provider’s certification statement in the contractor’s mailroom and forwarding it to the appropriate office for review.
- Verification of the application in accordance with existing instructions.
- Requesting and receiving clarifying information in accordance with existing instructions.
• Supplier site visit (if required).

• Formal notification of the contractor’s decision or recommendation (and providing the appropriate appeal rights, as necessary).

15.6.1.4 - Web-Based Applications - Accuracy
(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

The contractor shall process 98 percent of Form CMS-855 Web-based initial applications in full accordance with all of the instructions in this chapter (with the exception of the timeliness standards identified in section 15.6.1.3 above) and all other applicable CMS directives.

15.6.2 – Standards for Changes of Information
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

For purposes of timeliness, the term “changes of information” also includes:

1. Form CMS-855 change of ownership, acquisition/merger, and consolidation applications submitted by the old owner

2. Form CMS-588 changes submitted without a need for an accompanying complete Form CMS-855 application

3. Form CMS-855R applications submitted independently (i.e., without being part of a Form CMS-855I or Form CMS-855B package)

4. Form CMS-855 voluntary terminations

15.6.2.1 - Paper Applications - Timeliness
(Rev. 509, Issued: 03-27-14, Effective: 01-01-14, Implementation: 06-02-14)

The contractor shall process 80 percent of paper Form CMS-855 changes of information within 60 calendar days of receipt, and process 95 percent of paper Form CMS-855 changes of information within 120 calendar days of receipt. This process generally includes, but is not limited to, the following activities:

• Receipt of the change request in the contractor’s mailroom and forwarding it to the appropriate office for review.

• Prescreening the change request in accordance with existing instructions.

• Creating an L & T record and, if applicable, tying it to an enrollment record in PECOS.
• Verification of the change request in accordance with existing instructions.

• Requesting and receiving clarifying information in accordance with existing instructions.

• Supplier site visit (if necessary).

• Formal notification of the contractor’s decision or recommendation (and providing the appropriate appeal rights, as necessary).

15.6.2.2 - Paper Applications - Accuracy
(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

The contractor shall process 98 percent of paper Form CMS-855 changes of information in full accordance with all of the instructions in this chapter (with the exception of the timeliness standards identified in section 15.6.2.1 above) and all other applicable CMS directives.

15.6.2.3 - Web-Based Applications - Timeliness
(Rev. 509, Issued: 03-27-14, Effective: 01-01-14, Implementation: 06-02-14)

The contractor shall process 90 percent of all Form CMS-855 Web-based change of information applications within 45 calendar days of receipt, and process 95 percent of all such changes of information within 90 calendar days of receipt. This process generally includes, but is not limited to:

• Receipt of the provider’s certification statement in the contractor’s mailroom and forwarding it to the appropriate office for review. (This obviously does not apply to applications submitted with an electronic signature.)

• Ensuring that the changed information has been verified

• Requesting and receiving clarifying information

• Supplier site visit (if necessary)

• Formal notification to the SA and/or RO of the contractor’s approval, denial or recommendation for approval of the application.

15.6.2.4 - Web-Based Applications – Accuracy
(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

The contractor shall process 98 percent of Form CMS-855 Web-based change of information applications in full accordance with all of the instructions in this chapter (with the exception of the timeliness standards identified in section 6.2.3 above) and all
other applicable CMS directives.

15.6.3 - General Timeliness Principles
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

Unless stated otherwise in this chapter or in another CMS directive, the principles discussed below apply to all applications discussed in sections 15.6.1 through 15.6.2.3 of this chapter (e.g., change of ownership (CHOW) applications submitted by old and new owners, CMS-588 forms).

A. Clock Stoppages

The processing time clocks identified in sections 15.6.1 and 15.6.2.3 of this chapter cannot be stopped or suspended for any reason. This includes, but is not limited to, the following situations:

- Referring an application to the Office of Inspector General (OIG) or the Zone Program Integrity Contractor.

- Waiting for a final sales agreement (e.g., CHOW, acquisition/merger).

- Waiting for the regional office (RO) to make a provider-based or CHOW determination.

- Referring a provider to the Social Security Administration to resolve a discrepancy involving a social security number.

- Contacting CMS’ Provider Enrollment & Oversight Group (PEOG) or an RO’s survey/certification staff with a question regarding the application or CMS policy.

Notwithstanding the prohibition on clock stoppages and suspensions, the contractor should always document any delays by identifying when the referral to CMS, the OIG, etc., was made, the reason for the referral, and when a response was received. By doing so, the contractor will be able to furnish explanatory documentation to CMS should applicable time limits be exceeded. To illustrate, assume that a contractor received an initial Form CMS-855I application on March 1. On March 30, the contractor sent a question to CMS, and received a reply on April 7. The processing time clock did not stop from March 31 to April 7. However, the contractor should document its files to explain that it forwarded the question to CMS, the dates involved, and the reason for the referral.

B. Calendar Days

Unless otherwise stated in this chapter, all days in the processing time clock are “calendar” days, not “business days.” If the 60th day (for initials) or 45th day (for changes of information) falls on a weekend or holiday, this is still the day by which the
application must be processed. If the contractor is unable to finish processing the application until the next business day, it should document the file that the 60th day fell on a Saturday/Sunday/holiday and furnish any additional explanation as needed.

C. Date-Stamping

As a general rule, all incoming correspondence must be date-stamped on the day it was received in the contractor’s mailroom. This includes, but is not limited to:

- Any Form CMS-855 application, including initials, changes, CHOWs, etc. (The first page of the application must be date-stamped.)

- Letters from providers. (The first page of the letter must be date-stamped.)

- Supporting documentation, such as licenses, certifications, articles of incorporation, and billing agreements. (The first page of the document or the envelope must be date-stamped.)

- Data that the provider furnishes (via mail or fax) per the contractor’s request for additional information. (All submitted pages must be date-stamped. This is because many contractors interleaf the new/changed pages within the original application. Thus, it is necessary to determine the sequence in which the application and the additional pages were received.)

For applications that do not require the submission of a fee, the timeliness clock begins on the date on which the application/envelope is date-stamped in the contractor’s mailroom, not the date on which the application is date-stamped or received by the provider enrollment unit. As such, the date-stamping activities described in the above bullets must be performed in the contractor’s mailroom. In cases where the mailroom staff fails to date-stamp a particular document, the provider enrollment unit may date-stamp the page in question. However, there shall not be long lapses between the time it was received in the mailroom and the time the provider enrollment unit date-stamped the pages.

In addition, and unless stated otherwise in this chapter or in another CMS directive, all incoming enrollment applications (including change requests) must be submitted via mail.

D. When the Processing Cycle Ends

For (1) Form CMS-855A applications, and (2) Form CMS-855B applications submitted by ambulatory surgical centers (ASCs) or portable x-ray suppliers, the processing cycle ends on the date that the contractor:

- Sends its recommendation of approval to the State agency
Denies the application

In situations involving a change request that does not require a recommendation (i.e., it need not be forwarded to and approved by the State or RO), the cycle ends on the date that the contractor sends notification to the provider that the change has been processed. If notification to the provider is made via telephone, the cycle ends on the date that the telephone call is made (e.g., the date the voice mail message is left).

For (1) Form CMS-855I applications, (2) Form CMS-855R applications, and (3) Form CMS-855B applications from suppliers other than ASCs and portable x-ray suppliers, the processing cycle ends on the date that the contractor sends its approval/denial letter to the supplier. For change request approval/denial notifications made via telephone, the cycle ends on the date that the telephone call is made (e.g., the date the voice mail message is left).

For any application that is rejected per existing instructions, the processing time clock ends on the date that the contractor sends notification to the provider that the application has been rejected.

E. PECOS

Unless stated otherwise in this chapter or in another CMS directive, the contractor must create a logging & tracking (L & T) record in PECOS:

- For applications that do not require an application fee, no later than 20 calendar days after its receipt of the provider’s application in the contractor’s mailroom.

- For applications that require an application fee, no later than 20 calendar days after:
  - The date on which the provider paid the fee – as confirmed by either the Fee Submitter List or the provider’s submission of a receipt of payment from Pay.gov, or
  - The date on which PEOG approved the provider’s hardship exception request (or, for suppliers of durable medical requirement, prosthetics, orthotics and supplies, the date on which the NSC approved the hardship exception request).

Moreover, the contractor must establish a complete enrollment record in PECOS – if applicable - prior to its approval, recommendation of approval, or denial of the provider’s application. To the maximum extent possible, the contractor shall establish the enrollment record at one time, rather than on a piecemeal basis.

The L & T and enrollment record requirements in the previous paragraph apply to all applications identified in sections 15.6.1 through 15.6.2.4 of this chapter (e.g., reassignments, CHOW applications submitted by old and new owners).
In situations where the contractor cannot create an L & T record within 20 days due to missing information (e.g., no NPI was furnished), the contractor shall document the provider file accordingly.

15.7 – Application Review and Verification Activities
(Rev. 532, Issued: 08-01-14, Effective: 09-02-14, Implementation: 09-02-14)

Unless stated otherwise in this chapter or in another CMS directive:

(A) The instructions in sections 15.7 through 15.7.1.6.2 apply to:

- The Form CMS-855A, Form CMS-855B, Form CMS-855I, Form CMS-855R, and Form CMS-855O.

- All Form CMS-855 transaction types identified in this chapter (e.g., changes of information, reassignments).

(B) Except for situations where a “processing alternative” applies (see sections 15.7.1.3.1 through 15.7.1.3.4 of this chapter), the contractor shall:

- Ensure that the provider has completed all required data elements on the Form CMS-855 (including all effective dates) and that all supporting documentation has been furnished. The contractor shall also ensure that the provider has completed the application in accordance with the instructions (1) in this chapter and in all other CMS directives and (2) on the Form CMS-855. (The instructions on the Form CMS-855 shall be read and applied in addition to, and not in lieu of, the instructions in this chapter and all other applicable CMS directives.)

- Verify and validate all information furnished by the provider on the Form CMS-855.

(C) The instructions in sections 15.7 through 15.7.1.6.2 are in addition to, and not in lieu of, all other instructions in this chapter.

In general, the application review and verification process is as follows:

1. Contractor receives application
2. Contractor reviews application and verifies data thereon
3. If (a) required data/documentation is missing, (b) data cannot be verified, and/or (3) there are data discrepancies, contractor requests missing/clarifying information from the provider.
4. If applicable, contractor (a) verifies any newly furnished data, or (2) seeks additional data/clarification from provider.

5. Final determination

Sections 15.7.1 through 15.7.1.6.2 are structured so as to generally follow Steps 2 through 5 above.

15.7.1 – Receipt/Review of Application and Verification of Data
(Rev. 525, Issued: 06-27-14, Effective: 07-29-14, Implementation: 07-29-14)

The contractor is no longer required to pre-screen provider enrollment applications.

15.7.1.1 – Receipt/Review of Paper Applications
(Rev. 532, Issued: 08-01-14, Effective: 09-02-14, Implementation: 09-02-14)

A. Background

The contractor shall begin processing the application once the application fee has been paid (if applicable). This includes, but is not limited to (and subject to the processing alternatives in sections 15.7.1.3.1 through 15.7.1.3.4):

- Ensuring that all required data elements on the application have been completed and that all required supporting documentation has been submitted
- Submitted a valid and dated certification statement signed by an appropriate individual (e.g., the enrolling physician for Form CMS-855I applications)
- Validating all data on and submitted with the application
- Entering all information contained on the application into the Provider Enrollment, Chain and Ownership System (PECOS).

The contractor may begin the verification process at any time. Also, the contractor is not required to create a PECOS logging and tracking (L & T) record within a certain specified timeframe (e.g., within 20 days after receipt of the application).

B. Other Guidelines

1. Acknowledgment of Receipt of Application – The contractor may, but is not required to, send out acknowledgment letters or e-mails.

2. “Not Applicable” – Unless a “processing alternative” applies, the provider cannot write “N/A” in response to a question that requires a “yes” or “no” answer. This is considered an incomplete reply, thus warranting the issuance of a request for missing information.
3. Unsolicited Submission of Information - If the provider submits missing/clarifying data or documentation on its own volition (i.e., without being contacted by the contractor), the contractor shall include this additional data/documentation in its overall application review.

4. Reenrollment Bar – If the contractor suspects that a provider or supplier is attempting to circumvent an existing reenrollment bar by enrolling under a different business identity or as a different business type, the contractor shall contact CMS’ Provider Enrollment Business Function Lead (PEBFL) for guidance.

5. State and Country of Birth – The state of birth and country of birth are optional data elements on the Form CMS-855. As such, the contractor shall not develop for this information if it was not disclosed on the application and shall not request other contractors to update the PECOS Associate Control (PAC) ID to include this data.

6. Photocopying Pages - The contractor may accept photocopied pages in any Form CMS-855 it receives so long as the application contains an original signature. For example, suppose a corporation wants to enroll five medical clinics it owns. The section 5 data on the Form CMS-855B is exactly the same for all five clinics. The contractor may accept photocopied section 5 pages for these providers. However, original signatures must be furnished in section 15 of each application.

7. White-Out & Highlighting - The contractor shall not write on or highlight any part of the original Form CMS-855 application or any supplementary pages the applicant submits (e.g., copy of license). Provider usage of white-out is acceptable, although the contractor should contact the applicant to resolve any ambiguities. In addition, the contractor must determine whether the amount of white-out used on a particular application is within reason. For instance, if an entire application page is whited-out, the contractor should request that the page be resubmitted.

15.7.1.2 – Receipt/Review of Internet-Based PECOS Applications
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

A. Submission of Paper Certification Statement

1. Background and Timeframe

If the provider chooses to submit its certification statement via paper rather than through e-signature, it may do so by mail, fax, or scanned e-mail. Unless stated otherwise in this chapter or in another CMS directive:

- The provider must submit the certification statement within 45 calendar days of the date on which it submitted its Internet-based PECOS application. (This applies to all Form CMS-855 Internet-based PECOS submissions, regardless of the type of transaction involved.)
If the contractor does not receive the certification statement in its mailroom (or via fax/email) within the 45-day period, the contractor may either return the application (unless another CMS directive states otherwise) or contact the provider via any means to request the certification statement. If the contractor chooses the latter option, it shall inform the provider (1) of the deadline by which the statement must be received and (2) that the provider may still sign the application via e-signature. (The specific deadline in (1) lies within the contractor’s discretion.)

If the provider submits an invalid certification statement (e.g., undated; incorrect individual signed it; not all authorized officials signed it), the contractor shall treat this as missing information and shall develop for a correct certification statement using – unless another CMS directive states otherwise - the procedures outlined in this chapter.

If the provider wishes to submit a paper CMS-855 certification statement (downloaded from www.cms.gov), it should write the tracking ID on the top of the certification statement.

2. Switch to “In Review” and Application Returns

After – and only after – the contractor receives the provider’s certification statement and application fee (if applicable), the contractor shall: (1) enter the date of signature in the “Certification Date” box in the logging & tracking (L & T) record, and (2) change the L & T status to “In Review.” The contractor shall not begin processing the application prior to its receipt of the certification statement and its completion of tasks (1) and (2) in the previous sentence.

If the provider submitted an invalid certification statement, the contractor shall still complete tasks (1) and (2) above. (If the certification statement was undated, the contractor shall use the date that the 45-day clock expired as the date of signature.) An appropriate certification statement can be solicited as part of the development process.

If the contractor can determine (without having yet begun processing the application) that an application can be returned under section 15.8.1 of this chapter (e.g., Form CMS-855I was submitted more than 60 days prior to the effective date), the contractor may return the application without waiting for the arrival of the certification statement.

B. Processing of Application

After tasks (1) and (2) above have been completed, the contractor shall begin processing the application. Subject to the processing alternatives in sections 15.7.1.3.1 through 15.7.1.3.4, processing includes (but is not limited to):

- Ensuring that all required data elements on the application have been completed and that all required supporting documentation has been submitted (either via paper or the Digital Data Repository (DDR))
Validating all data on and submitted with the application

15.7.1.3 – Verification of Data/Processing Alternatives
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

A. Verification - General

1. Means of Verification

Unless stated otherwise in this chapter or in another CMS directive, the contractor shall verify and validate – via the most cost-effective methods available - all information furnished by the provider on or with its application. The general purpose of the verification process is to ensure that all of the data furnished on the Form CMS-855 is accurate.

Examples of verification techniques include, but are not limited to:

- Site visits
- Third-party data validation sources
- State professional licensure and certification Web sites (e.g., medical board sites)
- Federal licensure and certification Web sites (if applicable)
- State business Web sites (e.g., to validate “doing business as” name)
- Yellow Pages (e.g., to verify certain phone numbers)

The list of verification techniques identified in this section 15.7.1.3 is not exhaustive. If the contractor is aware of another means of validation that is as cost-effective and accurate as those listed, it is free to use such means. However, all Social Security Numbers (SSNs) and National Provider Identifiers (NPIs) listed on the application will continue to be verified through PECOS. The contractor shall not request an SSN card to verify an individual’s identity or SSN.

2. Procedures

Unless stated otherwise in this chapter or in another CMS directive, the following principles apply:

(1) A data element is considered “verified” when, after attempting at least one means of validation, the contractor is confident that the data is accurate. (The contractor shall use its best judgment when making this assessment.)
(2) The contractor need only make one verification attempt (i.e., need only use one validation technique) before either:

(a) Requesting clarifying information (as described in sections 15.7.1.4 through 15.7.1.6.2) if the data element cannot be verified. (However, the contractor is encouraged to make a second attempt using a different validation means prior to requesting clarification.)

OR

(b) Concluding that the furnished data is accurate.

3. Concurrent Reviews

If the contractor receives multiple Form CMS-855s for related entities, it can perform concurrent reviews of similar data. For instance, suppose a chain home office submits initial Form CMS-855As for four of its chain providers. The ownership information (sections 5 and 6) and chain home office data (section 7) is the same for all four providers. The contractor need only verify the ownership and home office data once; it need not do it four times – once for each provider. However, the contractor shall document in each provider’s file that a single verification check was made for all four applications.

For purposes of this requirement: (1) there must be an organizational, employment, or other business relationship between the entities, and (2) the applications must have been submitted within a few weeks of each other. As an illustration, assume that Group Practice A submits an initial Form CMS-855B on January 1. Group Practice B submits one on October 1. Section 6 indicates that Joe Smith is a co-owner of both practices, though both entities have many other owners that are not similar. In this case, the contractor must verify Mr. Smith’s data in both January and October. It cannot use the January verification and apply it to Group B’s application because: (1) the applications were submitted nine months apart, and (2) there is no evidence that the entities are related.

4. Contacting Other Contractor

During the verification process, the contractor may need to contact another Medicare contractor for information regarding the provider. The latter contractor shall respond to the former contractor’s request within three business days absent extenuating circumstances.

B. Processing Alternatives

Sections 15.7.1.3.1 through 15.7.1.3.4 outline special processing rules ("processing alternatives") that are intended to reduce the burden on contractors and providers while
simultaneously maintaining the integrity of the enrollment process. These provisions take precedence over all other instructions outlined in this chapter 15.

15.7.1.3.1 – Processing Alternatives – Form CMS-855B and Form CMS-855I
(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

A. General Processing Alternatives

The following general alternatives are applicable to all sections of the Form CMS-855B and the CMS-855I, unless otherwise specified:

1. **Information Disclosed Elsewhere** - If a data element on the supplier’s Form CMS-855 application is missing but the information is disclosed: (1) elsewhere on the application or (2) in the supporting documentation submitted with the application, the contractor need not obtain the missing data via an updated Form CMS-855 page and a newly-signed certification statement; no further development – not even by telephone – is required. The following information, however, must be furnished in the appropriate section(s) of the Form CMS-855, even if the data is identified elsewhere on the form or in the supporting documentation:

   a. Any final adverse action data requested in sections 3, 4A (Form CMS-855I only), 5B (Form CMS-855B only), and 6B of the Form CMS-855
   b. *The applicants* legal business name (LBN) or legal names
   c. Tax identification numbers (TIN)
   d. NPI-legacy number combinations in Section 4 of the Form CMS-855
   e. Supplier/practitioner type (section 2A of the Form CMS-855B and section 2D of the Form CMS-855I)

Data available on a previously submitted CMS-855 enrollment application, or information currently in PECOS, does not qualify as a processing alternative, *unless stated otherwise in this chapter or any CMS directive*. In addition, per section 15.7.3 of this chapter, the contractor shall document in the provider file that the missing information was found elsewhere in the enrollment package.

2. **Licenses**

In situations where the supplier is required to submit a copy of a particular professional or business license, certification, registration, or degree but fails to do so, the contractor need not obtain such documentation from the provider if the contractor can verify the information independently. This may be done by: (1) reviewing and printing confirming pages from the applicable state, professional, or school Web site, (2) requesting and receiving from the appropriate state, professional, or educational body written confirmation of the supplier’s status therewith, or (3) utilizing another third-party verification source. Similarly, if the provider submits a copy of the applicable license, certification, registration or degree but fails to complete the applicable section
of the form, the section need not be completed if the data in question can be verified on the license/certification itself or via any of the three mechanisms described above. *The contractor shall not develop for a correction to the form if the license information can be verified as described above.*

- The above-referenced written confirmation of the supplier’s status can be in the form of a letter, fax, or e-mail, but it must be in writing. Documentation of a verbal conversation between the contractor and the body in question does not qualify as appropriate confirmation.

- This exception only applies to those documents that traditionally fall within the category of licenses, registrations, certifications, or degrees. It does not apply to items such as adverse action documentation, paramedic intercept services documents, etc. Furthermore, the exception is moot in cases where: (1) a particular license/certification is not required by the state, or (2) the license/certification has not been obtained because a state survey has not yet been performed (i.e., for certified suppliers).

3. **City, State, and ZIP Code** - If an address (e.g., correspondence address, practice location) lacks a city or state, the contractor can verify the missing data in any manner it chooses. In addition, the contractor can obtain the zip + four from either the U.S. Postal Service or Finalist in PECOS.

4. **Inapplicable Questions** - The supplier need not check “no” for questions that obviously do not apply to its supplier type. For instance, a nurse practitioner need not check “no” to question 1(a) in Section 2C of the Form CMS-855I.

5. **Clinical Laboratory Improvement Act (CLIA) and Drug Enforcement Agency (DEA)** - CLIA and DEA certificates need not be submitted if the applicable CLIA and DEA information was furnished on the Form CMS-855. Likewise, if the aforementioned certificates are furnished but the applicable Form CMS-855 sections are blank, no further development is needed.

6. **Practice Locations** - Each practice location is to be verified. However, there is no need to separately contact each location on the application. Such verification can be done via the contact person listed on the application; the contact person’s verification shall be documented in the provider file pursuant to section 15.7.3 of this chapter.

### B. Sectional Processing Alternatives

The processing alternatives in this subsection B are in addition to, and not in lieu of, those in subsection A.

1. **Section 1 (Form CMS-855B and Form CMS-855I)**

   With the exception of: (1) the voluntary termination checkbox, (2) the effective date of
termination, and (3) physician assistant and reassignment data in section 1A of the Form CMS-855I, any blank data/checkboxes in section 1 can be verified through any means chosen by the contractor (e.g., e-mail, telephone, fax).

2. Section 2

a. Form CMS-855B

- All information in section 2B1 (with the exception of the TIN and LBN) can be captured by telephone, fax, e-mail, or Web site.

- If the contractor is aware that a particular state does not require licensure/certification and the “Not Applicable” boxes are not checked in section 2A2, no further development is needed.

b. Form CMS-855I

- If blank, “Type of Other Name” and “Gender” can be captured orally.

- If the contractor is aware that a particular state does not require licensure/certification and the “Not Applicable” boxes are not checked in section 2A, no further development is needed.

- In section 2D1, if the supplier uses a checkmark, an “X,” or other symbol to identify his/her primary and secondary specialties (as opposed to a “P” or “S”), no additional development is needed.

- When processing a non-physician practitioner’s (NPP) application, the contractor need not automatically request a copy of the NPP’s degree or diploma (if it is not submitted) if his or her education can be verified through other authorized means; requesting a copy of the degree or diploma should only be done if educational information cannot otherwise be verified.

- **Medical or Professional School and Year of Graduation – If the Form CMS-855 lacks the Medical or Professional School and/or the year of graduation, but the information is disclosed in the supporting documentation submitted with the application or already exists in PECOS, no further development is needed.**

3. Section 4

a. Form CMS-855B

- In section 4A, the type of practice location checkboxes need not be completed if the type of location is apparent to the contractor. The contractor can confirm the information via telephone, e-mail, or fax.
• In section 4B, if neither box is checked and no address is provided, the contractor can contact the supplier by telephone, e-mail, or fax to confirm the supplier’s intentions. If the “special payments” address is indeed the same as the practice location, no further development is needed. If, however, the supplier wants payments to be sent to a different address, the address in 4B must be completed via the Form CMS-855.

• In section 4E, if the “Check here” box is not checked and no address is provided, the contractor can contact the supplier by telephone, e-mail or fax to confirm the supplier’s intentions. If the base of operations address is the same as the practice location, no further development is needed. If the supplier indicates that the base of operations is at a different location, the address in 4E must be completed via the Form CMS-855.

• In section 4F, if the vehicle certificates are furnished but the applicable Form CMS-855 sections are blank, the contractor can verify via telephone, e-mail or fax that said vehicles are the only ones the supplier has.

b. Form CMS-855I

• If an application is submitted with a valid NPI and PTAN combination, but the LBN field is blank, an incomplete or inaccurate LBN is submitted, or the applicant includes a DBA name in section 4 of the Form CMS-855I and the contractor is able to confirm the correct LBN based on the NPI and PTAN combination provided, the contractor is not required to develop.

• In section 4C, the type of practice location checkboxes need not be completed if the type of location is apparent to the contractor; the contractor can confirm the information via telephone, e-mail or fax.

• In section 4E, if neither box is checked and no address is provided, the contractor can contact the supplier by telephone, e-mail or fax to confirm the supplier’s intentions. If the “special payments” address is the same as the practice location, no further development is needed. If, however, the supplier wants payments to be sent to a different address, the address in 4E must be completed via the Form CMS-855.

4. Section 8 (Form CMS-855B and Form CMS-855I) - If the telephone number is blank, the number can be verified with the supplier by telephone, e-mail or fax. If the section is blank, including the check box, no additional development is necessary.

5. Section 13 (Form CMS-855B and Form CMS-855I)

• If this section is completely blank, the contractor need not develop for this information and can simply contact an authorized or delegated official (or, for Form CMS-855I applications, the physician/practitioner).
• If neither box is checked but the contact person information is incomplete (e.g., no telephone number listed), the contractor can either: (1) develop for this information by telephone, e-mail or fax, or (2) contact an authorized or delegated official (or, for Form CMS-855I applications, the physician/practitioner).

6. **Section 16 (Form CMS-855B)**

The telephone number can be left blank. No further development is needed.

7. **Attachment 1 (Form CMS-855B)**

In section D, the “Land,” “Air,” and “Marine” boxes need not be checked (or developed) if the type of vehicle involved is clear.

8. **Attachment 2 (Form CMS-855B)**

In section E, the telephone number of the supervising physician can be left blank. No further development is needed.

**15.7.1.3.2 – Processing Alternatives – Form CMS-855A**

(Rev. 532, Issued: 08-01-14, Effective: 09-02-14, Implementation: 09-02-14)

**A. General Processing Alternatives**

The following general alternatives are applicable to all sections of the Form CMS-855A, unless otherwise specified:

1. **Information Disclosed Elsewhere** – If a data element on the provider’s Form CMS-855A application is missing but the information is disclosed (1) elsewhere on the application or (2) in the supporting documentation submitted with the application, the contractor need not obtain the missing data via an updated Form CMS-855A page and a newly-signed certification statement; no further development – not even by telephone – is required. The following information, however, must be furnished in the appropriate section(s) of the Form CMS-855A, even if the data is identified elsewhere on the form or in the supporting documentation:

   a. Any final adverse action data requested in sections 3, 5B and 6B of the Form CMS-855A
   b. All legal business names (LBNs) (e.g., provider, chain home office)
   c. All tax identification numbers (TINs) (e.g., provider, owning organization)
   d. NPI-legacy number combinations in section 4 of the Form CMS-855A
   e. Provider type
   f. The following data in sections 2F, 2G and 2H:
• “Doing business as” name
• Effective dates of sale/transfer/consolidation
• Checkbox in section 2F indicating whether seller will accept assets/liabilities
• Names of units with separate legacy numbers/NPIs;
• All NPIs and legacy numbers

Data that is available on a previously submitted Form CMS-855A application or in PECOS cannot be used for purposes of this “Information Disclosed Elsewhere” exception. Also, per section 15.7.3 of this chapter, the contractor shall document in the provider file that the missing information was found elsewhere in the enrollment package.

2. Licenses - In situations where the provider is required to submit a copy of a particular professional or business license, certification, or registration but fails to do so, the contractor need not obtain such documentation from the provider if the contractor can verify the information independently. This may be done by: (1) reviewing and printing confirmation pages from the applicable state web site, (2) requesting and receiving from the appropriate state body written confirmation of the provider’s status therewith, and (3) using any other third-party verification source. Similarly, if the provider submits a copy of the applicable license, certification, or registration but fails to complete the appropriate section of the form, the section need not be completed if the data in question can be verified on the license/certification itself or via any of the three mechanisms above.

• The above-referenced written confirmation from a state body of the provider’s status can be in the form of a letter, fax, or e-mail, but it must be in writing. Documentation of a verbal conversation between the contractor and the body in question does not qualify as appropriate confirmation.

• This exception only applies to those documents that traditionally fall within the category of licenses, registrations, or certifications. It does not apply to items such as adverse action documentation, bills of sale, etc. Furthermore, the exception is moot in cases where: (1) a particular license/certification is not required by the state, or (2) the license/certification has not been obtained because a state survey has not yet been performed.

3. City, State, and ZIP Code - If an address (e.g., correspondence address, practice location) lacks a city or state, the contractor can verify the missing data in any manner it chooses. In addition, the contractor can obtain the “zip + four” from either the U.S. Postal Service or Finalist in PECOS.

B. Sectional Processing Alternatives

The processing alternatives in this subsection B are in addition to, and not in lieu of, those in subsection A.
1. **Section 1**

With the exception of (1) the voluntary termination checkbox and (2) the effective date of termination, any blank data/checkboxes in section 1 can be verified through any means chosen by the contractor (e.g., e-mail, telephone, fax).

2. **Section 2**

- Other than the TIN and the LBN, all information in section 2B1 can be captured by telephone, e-mail, fax, or a Web site.

- If the contractor is aware that a particular state does not require licensure/certification and the “Not Applicable” boxes in section 2B2 are not checked, no further development is needed.

- With respect to sections 2F, 2G, and 2H, if the old/new owner’s current contractor is not listed, the contractor can research this data on its own or obtain it from the provider by any means.

3. **Section 4**

- In section 4A, if the “type of practice location” checkbox is blank, the contractor can confirm the information via e-mail or fax.

- In section 4B, if neither box is checked and no address is provided, the contractor can contact the provider by telephone, e-mail, or fax to confirm the provider’s intentions. If the provider replies that the “special payments” address is the same as the practice location, no further development is needed. If, however, the provider wants payments to be sent to a different address, the address in 4B must be completed via the Form CMS-855A.

- In section 4D, if the “Check here” box is not checked and no address is provided, the contractor can contact the provider by telephone, e-mail or fax to confirm the provider’s intentions. If the provider replies that the base of operations address is the same as the practice location, no further development is needed. If the provider indicates that the base of operations is at a different location, the address in 4D must be completed via the Form CMS-855A.

- In section 4E, if the vehicle certificates are furnished but the applicable CMS-855A sections are blank, the contractor can verify via telephone, e-mail or fax that said vehicles are the only ones the provider has.

4. **Section 7**

- If all of section 7 is blank (including the check box just above section 7A), no additional development is necessary.
• If the provider indicates that it is part of a chain but the checkboxes in section 7A are blank, the contractor can verify the type of transaction involved via e-mail or fax.

• In section 7B, if the person is also listed with complete information in section 6A (e.g., the individual’s Social Security Number (SSN) is listed in section 6A1), only the individual’s first and last name need be listed in section 7B.

• In section 7C, if the entity is also listed with complete information in section 5A, the company’s legal business name is the only data that must be listed in section 7C. (If blank, the cost report date, the home office’s contractor, and the chain number can be developed by phone, e-mail, or fax.)

• If blank, data in section 7D can be collected by telephone, e-mail or fax.

• If blank, data in section 7E can be collected by e-mail or fax.

5. Section 8

• If the telephone number is blank, the number can be verified with the provider by telephone, e-mail or fax.

• If all of section 8 is blank (including the check box), no additional development is necessary.

6. Section 12

• If it is obvious that the entity is not enrolling as a home health agency (HHA), the checkbox above section 12A can be left blank.

• If the entity is an HHA:
  o If section 12A1 or 12A3B is blank, the data can be verified by telephone, e-mail, or fax.
  o If the telephone number in section 12B is blank, the number can be verified with the provider by telephone, e-mail or fax.

7. Section 13

• If this section is completely blank, the contractor need not develop for this information and can simply contact an authorized or delegated official.

• If neither box is checked but the contact person information is incomplete (e.g., no telephone number listed), the contractor may either (1) develop for this
information by telephone, e-mail or fax, or (2) contact an authorized or delegated official.

8. **Sections 15 and 16**

The telephone number can be left blank. No further development is needed.

**15.7.1.3.3 – Processing Alternatives – Form CMS-855O**

(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

A. **General Processing Alternatives**

The following general alternatives are applicable to all sections of the Form CMS-855O, unless otherwise specified:

1. **Information Disclosed Elsewhere** - If a data element on the supplier’s Form CMS-855O application is missing but the information is disclosed (1) elsewhere on the application or (2) in the supporting documentation submitted with the application, the contractor need not obtain the missing data via an updated Form CMS-855O page and a newly-signed certification statement; no further development – not even by telephone – is required. The following information, however, must be furnished in the appropriate section(s) of the Form CMS-855O, even if the data is identified elsewhere on the form or in the supporting documentation:

   a. Any final adverse action data requested in section 3
   b. Legal names
   c. Tax identification number (TIN)
   d. NPI-legacy number combinations in section 2 (if applicable)
   e. Data in section 1B

Data available on a previously submitted Form CMS-855 enrollment application, or information currently in PECOS, does not qualify as a processing alternative, unless stated otherwise in this chapter or any CMS directive. In addition, per section 15.7.3 of this chapter, the contractor shall document in the provider file that the missing information was found elsewhere in the enrollment package.

2. **Licenses**

In situations where the supplier is required to submit a copy of a particular professional or business license, certification, registration, or degree but fails to do so, the contractor need not obtain such documentation from the provider if the contractor can verify the information independently. This may be done by: (1) reviewing and printing confirming pages from the applicable state, professional, or school web site, (2) requesting and receiving from the appropriate state, professional, or educational body written confirmation of the supplier’s status therewith, or (3) utilizing another third-party verification source. Likewise, if the provider submits a copy of the applicable
license, certification, registration or degree but fails to complete the applicable section of the form, the section need not be completed if the data in question can be verified on the license/certification itself or via any of the three mechanisms above.

- The above-referenced written confirmation of the supplier’s status can be in the form of a letter, fax, or e-mail, but it must be in writing. Documentation of a verbal conversation between the contractor and the body in question does not qualify as appropriate confirmation.

- This exception only applies to those documents that traditionally fall within the category of licenses, registrations, certifications, or degrees such as adverse action documentation. Furthermore, the exception is moot in cases where a particular license/certification is not required by the state.

3. **City, State, and ZIP Code** - If a particular address lacks a city or state, the contractor can verify the missing data in any manner it chooses. In addition, the contractor can obtain the zip + four from either the U.S. Postal Service or Finalist in PECOS.

4. **Drug Enforcement Agency (DEA)** - DEA certificates need not be submitted if the applicable DEA information was furnished on the CMS-855. Similarly, if the aforementioned certificates are furnished but the applicable CMS-855 sections are blank, no further development is needed.

**B. Sectional Processing Alternatives**

The processing alternatives in this subsection B are in addition to, and not in lieu of, those in subsection A.

1. **Section 1**

With the exception of the voluntary termination checkbox, any blank data/checkboxes in section 1 can be verified through any means chosen by the contractor (e.g., e-mail, telephone, fax).

2. **Section 2**

- If blank, “Type of Other Name” and “Gender” can be captured orally.

- If the contractor is aware that a particular state does not require licensure/certification and the “Not Applicable” boxes are not checked in section 2C, no further development is needed.

- When processing a non-physician practitioner’s (NPP) application, the contractor need not automatically request a copy of the NPP’s degree or diploma (if it is not submitted) if his or her education can be verified through other
authorized means; requesting a copy of the degree or diploma should only be done if educational information cannot otherwise be verified.

- **Medical or Professional School and Year of Graduation** – If the Form CMS-855 lacks the Medical or Professional School and/or the year of graduation, but the information if disclosed in the supporting documentation submitted with the application or already exists in PECOS, no further development is needed.

3. **Section 4**

If the supplier uses a checkmark, an “X,” or other symbol to identify his/her primary and secondary specialties (as opposed to a “P” or “S”), no additional development is needed.

4. **Section 6**

If this section is completely blank, the contractor need not develop for this information and can simply contact the physician or practitioner.

**15.7.1.3.4 – Processing Alternatives – Form CMS-855R**

(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

All data elements in sections 1, 2, 3, and 4 must be completed via the CMS-855R.

**Regarding section 2:**

- If an application is submitted with a valid NPI and PTAN combination, but the LBN field is blank, an incomplete or inaccurate LBN is submitted, or the applicant includes a DBA name in section 2 of the Form CMS-855R, and the contractor is able to confirm the correct LBN based on the NPI and PTAN combination provided, the contractor is not required to develop.

Regarding section 5:

- If this section is completely blank, the contractor need not develop for this information and can simply contact the party that submitted the form (e.g., the enrolling physician).

- If a contact person is listed, any other missing data (e.g., address, e-mail) can be captured via telephone.

**15.7.1.4 – Requesting Missing/Clarifying Data/Documentation**

(Rev. 532, Issued: 08-01-14, Effective: 09-02-14, Implementation: 09-02-14)

The procedures in sections 15.7.1.4.1 through 15.7.1.4.3 are subject to the processing alternatives identified in sections 15.7.1.3.1 through 15.7.1.3.4 of this chapter.
15.7.1.4.1 – Paper Applications
(Rev. 525, Issued: 06-27-14, Effective: 07-29-14, Implementation: 07-29-14)

If (1) the provider submits an application with at least one missing required data element, (2) the provider fails to submit at least one required document, (3) submits an invalid certification statement, or (4) the contractor determines that clarification is needed regarding certain information (e.g., particular data cannot be verified or there are data inconsistencies), the contractor shall send a development letter to the provider – preferably via e-mail or fax - that contains, at a minimum, the applicable elements in (a) through (f) below. (See section 15.24 et seq. for model letters.)

(a) A list of all of the missing required data/documentation, an explanation of the certification statement’s deficiencies, and/or the issues/information to be clarified.

(b) A request that the provider submits the missing data/documentation, clarification, and/or revised certification statement within 30 calendar days.

(c) Unless the only data that is missing is documentation, a request that the provider submit an appropriately signed and dated certification statement, which will cover both the submission of any missing data as well as any deficiencies associated with the original certification statement.

(A new certification statement is not required if the only missing material is documentation or if the clarification to be provided does not require any changes to the provider’s Form-855 application.)

(d) If missing data is involved, the CMS Web site at which the CMS-855 forms can be found. The contractor shall instruct the provider to (1) print out the page(s) containing the missing data; (2) enter the data on the blank page; (3) sign and date a new, blank certification statement; and (4) send it to the contractor. (As an alternative, the contractor can fax the blank page(s) and certification statement to the provider.) The provider need not furnish its initials next to the data element(s) in question.

(Step (d) is not needed if the only missing material is documentation.)

(e) An e-mail address, fax number, and mailing address to which the missing/clarifying data/documentation/correct certification statement can be sent to the contractor.

(f) The name, phone number, and e-mail address of a contact person at the contractor site.

15.7.1.4.2 – Internet-Based PECOS Applications
(Rev. 525, Issued: 06-27-14, Effective: 07-29-14, Implementation: 07-29-14)

If the contractor determines that (1) required data/documentation are missing, (2)
clarification is needed (e.g., certain data cannot be verified), and/or (3) the certification statement is invalid, the contractor shall – after switching the L & T status to “Returned for Corrections” - send an e-mail (via PECOS Internet) to the provider containing:

(a) A list of all missing data/documentation, information to be clarified, and/or certification statement issues;

(b) A request that the provider submit the data/materials in question within 30 calendar days; and

(c) The name, phone number, and e-mail address of a contact person at the contractor site.

The contractor shall not attempt to contact the provider for the missing/clarified information and/or valid certification statement prior to sending the e-mail referenced above, though the contractor is free to make a follow-up contact with the provider after sending the e-mail.

15.7.1.4.3 – General Principles – Paper and Internet-Based PECOS Applications
(Rev. 525, Issued: 06-27-14, Effective: 07-29-14, Implementation; 07-29-14)

When requesting missing/clarifying information/documentation and/or or requesting a valid certification statement, the contractor shall adhere to the following:

A. Only One Request Needed – This the only request the contractor must make. The contractor should, of course, respond to any of the provider’s telephone calls, e-mails, etc., resulting from the request. Yet the contractor need not – on its own volition – make an additional request unless the contractor uncovers missing data (or data that must be clarified) that it failed to detect prior to sending the original development letter.

To the extent possible, the contractor should avoid contacting the provider for missing/clarifying data/documentation until it has attempted to validate all of the data on the application. This will obviate the need to contact the provider each time the contractor discovers an issue.

B. Commencement of Timeframe – The 30-day clock referred to above commences when the contractor, as applicable: (1) mails, faxes, or e-mails the letter/request, or (2) sends the aforementioned Internet-based PECOS e-mail.

C. Telephonic Requests

Unless otherwise stated in this chapter or in another CMS directive, telephonic requests for missing/clarifying data/documentation are generally not permitted for paper or Internet-based PECOS applications; it is important that requests for information or clarification be formalized in writing. However, in cases where CMS permits
telephonic requests for such data, the contractor shall adhere to the following:

- A telephonic request is made when the contractor: (1) speaks with an appropriate provider official, or (2) leaves a message either with an appropriate official’s staff (e.g., his/her executive assistant) or with an appropriate official’s voice mail service. In situation (2), the contractor shall leave the name, telephone number, and e-mail address of an appropriate individual at the contractor site who the official can contact; otherwise, the contact does not qualify as a legitimate request for clarification.

- When leaving a message, the contractor shall also state that the requested data/clarification must be furnished within 30 days.

- Telephone requests shall be made on weekdays between 9 am and 5 pm of the provider’s time zone.

- The 30-day clock begins on the date (1) of the telephone conversation with the appropriate official, or (2) the message is left.

D. Inability to Contact Provider - If the contractor cannot, for the reasons listed below, communicate with the provider to request information/documentation, it shall attempt one alternative means of communication:

- The mailed letter is returned because the provider is not at that address

- The contractor cannot e-mail the letter to the provider because of issues with the recipient’s e-mail system.

- The provider’s fax number is repeatedly busy

If an alternative communication also cannot be completed for one of the above reasons, the contractor need not make another attempt to obtain the data and may reject the application once the applicable 30-day period expires. However, it is strongly advised that the contractor make a third attempt to contact the provider prior to taking this step, especially if it appears that the provider is otherwise acting in good faith. (The contractor shall document each attempt to contact the provider.)

(With respect to e-mail, an alternative communication includes sending an e-mail to another listed contact person, delegated official, or authorized official.)

15.7.1.5 – Receiving Missing/Clarifying Data/Documentation
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

The procedures in this section 15.7.1.5 are subject to the processing alternatives identified in sections 15.7.1.3.1 through 15.7.1.3.4 of this chapter.
A. Requirement to Furnish All Missing/Clarifying Material

The provider must furnish all missing/clarifying data/documentation requested by the contractor within the 30-day timeframe. Whether the provider furnished all the information is a decision resting solely with the contractor. Should the provider furnish some (but not all) of the requested data/clarification within the specified time period, the contractor need not contact the provider again to request the remaining information. For instance, suppose the contractor requested missing data in sections 3, 4, and 5 of the Form CMS-855A. The provider only furnished the section 3 data. The contractor may reject the application without attempting another contact.

For Internet-based PECOS applications, the provider may mail its paper certification statement and its documentation separately. They need not be sent in the same package.

B. Format of Furnishing Missing Data

1. Paper Applications

Unless stated otherwise in this chapter or in another CMS directive, the provider shall: (1) provide the missing/clarification information (excluding documentation) on the applicable Form CMS-855 page(s) and (2) submit the missing material via mail, fax, or scanned e-mail. A newly signed and dated certification statement must accompany the Form CMS-855 page(s) containing the missing data – unless the only missing information is supporting documentation, in which case no new certification statement is needed.

2. Internet-Based PECOS Applications

Unless stated otherwise in this chapter or in another CMS directive, the provider may (1) submit the missing information by entering it into PECOS, (2) submit the missing documentation via fax, e-mail, mail, or the Digital Data Repository (DDR), and/or (3) submit the certification statement via paper or e-signature. (The provider may submit the missing data via the applicable paper Form CMS-855 pages if it submitted its application via Internet-based PECOS.)

C. Format of Clarifying Data

In cases where clarifying (as opposed to missing) information is requested, the contractor may accept the clarification by e-mail, fax, or letter. If the provider furnishes the clarification via telephone, the contractor shall – unless another CMS directive states otherwise - request that the provider furnish said clarification in writing (preferably via e-mail).

If the provided clarification ultimately requires the provider to change or alter data that must be reported on the paper or Web Form CMS-855, the contractor shall instruct the provider via a follow-up e-mail or fax to submit the revised data on the applicable Form...
CMS-855 page or via Internet-based PECOS and to furnish a new certification statement. The provider must submit the revised data and new certification statement within 30 days of the original request for clarification (rather than 30 days from the date of the follow-up request to provide the data via the Form CMS-855).

Consider the following illustrations:

**EXAMPLE 1:** The contractor notifies the provider via an e-mailed letter on March 1 of a discrepancy regarding its ownership information on the Form CMS-855A. The provider e-mails the contractor on March 3 and explains the discrepancy. Based on this e-mail, the contractor determines that the provider must correct its ownership data in section 5 of its Form CMS-855A. The contractor sends a follow-up e-mail to the provider on March 7 instructing the provider to do so. The provider must submit the revised data on the Form CMS-855 (with a new certification statement) by March 31 (not April 6, or 30 days from the date of the follow-up e-mail).

**EXAMPLE 2:** The contractor notifies the provider via e-mailed letter on March 1 of a discrepancy regarding its ownership information on the Form CMS-855A. The provider telephones the contractor on March 6 and explains the discrepancy to the contractor’s satisfaction. Although the discrepancy does not require the provider to make any revisions to its Form CMS-855A, the contractor shall request that the provider furnish its explanation in writing no later than 30 days from its March 1 e-mail (or March 31), not 30 days from the date of its March 6 request for the written explanation.

**EXAMPLE 3:** The contractor notifies the provider via e-mailed letter on March 1 of a discrepancy regarding its ownership information on its paper Form CMS-855A. Determining (based on the contractor’s e-mail) that the ownership information it provided was incorrect, it submits a revised section 5 of its Form CMS-855A to the contractor with a new certification statement but without any accompanying explanation of the change (e.g., no accompanying letter or e-mail). The contractor receives the revised section 5 on March 12. If the contractor determines that the discrepancy has been resolved via the revised submission, it is not required to contact the provider for an accompanying written explanation. (This is because the clarification was furnished in writing via the CMS-855 itself.) If, however, the contractor would like a written explanation or otherwise needs clarification about the submission, it may request that a written explanation be submitted no later than March 31.

**D. Maintenance of Received Material**

The contractor shall maintain all missing/clarifying information or documentation received (including new certification statements) in the provider file. Storage can be electronic or via hard copy, but it must be in an otherwise easily accessible format.

**15.7.1.6 – Failure to Submit Requested Data/Documentation**
(Rev. 532, Issued: 08-01-14, Effective: 09-02-14, Implementation: 09-02-14)
The instructions in sections 15.7.1.6.1 and 15.7.1.6.2:

- Apply unless another CMS directive or instruction states otherwise.
- Are subject to the processing alternatives identified in sections 15.7.1.3.1 through 15.7.1.3.4 of this chapter.

15.7.1.6.1 – Paper Applications
(Rev. 525, Issued: 06-27-14, Effective: 07-29-14, Implementation; 07-29-14)

If, in the contractor’s view, the provider failed to submit all of the requested data/documentation and/or a valid certification statement (either as a correction to the original certification statement or as part of a request for missing data), the contractor may:

- Reject the application if the 30-day period has elapsed,
- Wait until the 30-day period has elapsed and then reject the application, or
- Make a second request for the outstanding missing/clarifying data/documentation and/or an appropriate certification statement. (The request can be made via mail, fax, or e-mail. If the request is sent via e-mail, it need not be in the form of a letter.) The contractor may establish its own deadline for the provider’s submission of the remaining data or the certification statement, though it must be at least 7 business days from the date of this second request. In making the request, the contractor must specify: (1) the date of the original request/development letter and the material that was requested therein; (2) the data that is still missing or must be clarified; (3) that a newly-signed certification statement is necessary if the data must be furnished on the Form CMS-855; (4) the deadline for submission; (5) the address, fax number, and e-mail address to which the data/certification statement can be sent; and (6) the name, phone number, and e-mail address of an appropriate contact person at the contractor site.)

While the contractor is not required to make a second request if the provider fails to timely and fully respond to the development letter, the contractor is encouraged to make an additional request if: (1) it appears that the provider is making a good-faith effort to comply with the development letter and/or (2) the provider furnished most of the requested data. For instance, suppose the contractor requested 5 pieces of missing information. The contractor timely submitted 4 of them and furnished a signed (though undated) certification statement. Since the provider appears to be acting in good faith, the contractor is encouraged to continue working with the provider.

If the provider fails to fully respond to a second request, the contractor may either: (1) reject the application if the original 30-day period has elapsed, (2) wait until the 30-day period has elapsed and then reject the application, or (3) make a third request using the procedures described above.
15.7.1.6.2 – Internet-Based PECOS Applications
(Rev. 525, Issued: 06-27-14, Effective: 07-29-14, Implementation: 07-29-14)

If, in the contractor’s view, the provider failed to submit all of the requested data/documentation and/or failed to submit a valid certification statement (either as a correction to the original certification statement or as part of a request for missing data), the contractor may:

- Reject the application if the 30-day period has elapsed,
- Wait until the 30-day period has elapsed and then reject the application, or
- Make a second request for the outstanding missing/clarifying data/documentation and/or an appropriate certification statement. (The request shall be made via PECOS e-mail.) The contractor can establish its own deadline for the provider’s submission of the remaining data, though it must be at least 7 business days from the date of the request. In making the request, the contractor shall specify: (1) the date of the original development e-mail and the material that was requested therein; (2) the data that is still missing or needs to be clarified; (3) that a newly-signed certification statement (either via Internet-based PECOS or paper) is necessary if the data must be furnished on the Form CMS-855; (4) the deadline for submission; (5) the address, fax number, and e-mail address to which the documentation or certification statement can be sent (though the provider should be encouraged to use e-signature and the DDR); and (6) the name, phone number, and e-mail address of an appropriate contact person at the contractor site.

While the contractor is not required to make a second request if the provider fails to timely and fully respond to the development letter, the contractor is encouraged to make an additional request if: (1) it appears that the provider is making a good-faith effort to comply with the development letter and/or (2) the provider furnished most of the requested data.

If the provider fails to fully respond to a second request, the contractor may either: (1) reject the application if the original 30-day period has elapsed, (2) wait until the 30-day period has elapsed and then reject the application, or (3) make a third request using the procedures described above.

15.7.2 – Reserved for Future Use
(Rev. 525, Issued: 06-27-14, Effective: 07-29-14, Implementation: 07-29-14)

15.7.3 - Documentation
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

To ensure that proper internal controls are maintained and that important information is recorded in case of potential litigation, the contractor shall maintain documentation as
outlined in this section 15.7.3. CMS cannot stress enough how crucial it is for contractors to document their actions as carefully and thoroughly as possible.

The requirements in this section 15.7.3 are in addition to, and not in lieu of, all other documentation or document maintenance requirements that CMS has mandated.

A. Written and Telephonic Communications

(For purposes of this section 15.7.3, “written correspondence” includes mailed, faxed, and e-mailed correspondence.)

1. Written Correspondence

The contractor shall:

- Retain copies of all written correspondence pertaining to the provider, regardless of whether the correspondence was initiated by the contractor, the provider, CMS, State officials, etc.

- Document when it sends written correspondence to providers. For instance, if the contractor crafts an approval letter to the supplier dated March 1 but sends it out on March 3, the contractor shall note this in the file.

- Document all referrals to CMS, the ZPIC, or the OIG

2. Telephonic or Face-to-Face Contact (hereafter referred to as “oral communication”)

The contractor shall document any and all actual or attempted oral communication with the provider, any representative thereof, or any other person or entity regarding a provider. This includes, but is not limited to, the following situations:

- Telephoning a provider about its application. (Even if the provider official was unavailable and a voice mail message was left, this must be documented.)

- Requesting information from the state or another contractor concerning the applicant or enrollee

- Contacting the ZPIC for an update concerning a particular case

- Phone calls from the provider

- Conducting a meeting at the contractor’s headquarters/offices with officials from a hospital concerning problems with its application
• Telephoning CO (e.g., CO’s provider enrollment unit) or the RO (e.g., the RO’s survey and certification staff) and receiving instructions therefrom about a problem the contractor is having with an applicant or an existing provider.

• Telephoning the provider’s billing department with a question about the provider.

When documenting oral communications, the contractor shall indicate: (1) the time and date of the call or contact; (2) who initiated the contact; (3) who was spoken with; and (4) what the conversation pertained to. Concerning the last requirement, the contractor need not write down every word that was said during the conversation. Rather, the documentation should merely be adequate to reflect the contents of the conversation. The documentation can be crafted and stored electronically if the contractor can provide access within 24 hours upon request.

The documentation requirements in this subsection (A) only apply to enrolled providers and to providers that have already submitted an enrollment application. In other words, these documentation requirements go into effect only after the provider submits an initial application. To illustrate, if a hospital contacts the contractor requesting information concerning how it should enroll in the Medicare program, this need not be documented because the hospital has not yet submitted an enrollment application.

If an application is returned per section 15.8.1 of this chapter, the contractor shall document this. The manner of documentation lies within the contractor’s discretion.

B. Verification of Data Elements

Once the contractor has completed its review of the CMS-855 (e.g., approved/denied application, approved change request), it shall provide a written statement asserting that it has: (1) verified all data elements on the application, and (2) reviewed all applicable names on the CMS-855 against the MED and the System for Access Management (SAM). The statement must be signed and dated. It can be drafted in any manner the contractor chooses so long as it certifies that the above-mentioned activities were completed. The record can be stored electronically.

For each person or entity that appeared on the MED or SAM, the contractor shall document the finding via a screen printout. In all other situations, the contractor is not encouraged to document their reviews via screen printouts. Simply using the verification statement described above is sufficient. Although the contractor has the discretion to use screen prints if it so chooses, the verification statement is still required.

15.7.4 - Tie-In Notices
(Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

Although it may vary by regional office (RO), tie-in and tie-out notices are generally issued in the following circumstances:
• Initial enrollment
• Change of Ownership (CHOW) under 42 CFR §489.18
• Acquisition/Merger
• Consolidation
• Addition or deletion of home health agency (HHA) branch, hospital unit, or outpatient physical therapy extension site
• Voluntary and involuntary termination of billing numbers

As each RO may have different practices for issuing tie-in and tie-out notices, the contractor should contact its RO to find out the specific circumstances in which such notices are issued. This also applies to instances where the RO delegates the task of issuing tie-in or tie-out notices to the State agency. The contractor may accept such notices from the State in lieu of those from the RO. However, the contractor should first contact the applicable RO to confirm: (1) that the latter has indeed delegated this function to the State, and (2) the specific transactions (e.g., CHOWs, HHA branch additions) for which this function has been delegated.

In addition:

• Approval Letters – Depending on the RO, an approval letter may be issued in lieu of a tie-in notice.

• Review for Consistency - When the contractor receives a tie-in notice or approval letter from the RO, it shall review its contents to ensure that the data on the notice/letter matches that on the CMS-855. If there are discrepancies (e.g., different legal business name, address), the contractor shall contact the RO to determine why the data is different.

• Receipt of Tie-In When CMS-855 Not Completed - If the contractor receives a tie-in notice from the RO but the provider never submitted the necessary Form CMS-855 application, the contractor shall immediately alert the RO of the situation. The contractor shall also contact the provider and have it complete and submit the required application. (This applies to initial applications, CHOWs, practice location additions, etc.)

• Creation of New Logging & Tracking (L & T) Record Unnecessary - The contractor is not required to create a new L & T record in the Provider Enrollment, Chain and Ownership System when the tie-in notice comes in, as the existing record should not be in a final status and can therefore be modified. Simply changing the L & T status is sufficient.

Note that 42 CFR §489.13 governs the determination of the effective date of a Medicare provider agreement or supplier approval for health care facilities that are subject to survey and certification. Section 489.13 has been revised to state that: (1) the date of a Medicare provider agreement or supplier approval may not be earlier than the latest date
on which all applicable federal requirements have been met, and (2) such requirements include the contractor’s review and verification of an application to enroll in the Medicare program. (See sections 15.17.4 and 15.26.3 of this chapter for more information.)

15.7.5 – Special Program Integrity Procedures  
(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

This section contains additional verification procedures that the contractor shall utilize when processing the following transactions:

- Changes in the provider’s practice location
- Change in the special payment address
- On the Form CMS-588, changes in the provider’s bank name, depository routing transit number, or depository account number
- Revalidations and Form CMS-855 Reactivations

The instructions in this section 15.7.5 are in addition to, and not in lieu of, all other verification instructions contained in this chapter and in other CMS directives. Also, unless otherwise stated, section 15.7.5 applies to the Form CMS-855A, Form CMS-855B and Form CMS-855I.

The signature comparison requirements stated below are not necessary if the Form CMS-855 or Form CMS-588 change request, reactivation, or revalidation was submitted with an electronic signature.

A. Change in Practice Location Address

In cases where a provider submits a Form CMS-855 request to change its practice location address, the contractor shall undertake the following activities:

1. Contact the location currently associated with the provider in the Provider Enrollment, Chain and Ownership System (PECOS) or the Multi-Carrier System (MCS) to verify that the provider is no longer there and did in fact move.

B. Change in Special Payments Address

If the provider submits a change to its special payments address, the contractor shall contact the individual physician/practitioner (for Form CMS-855I changes), an authorized or delegated official (for Form CMS-855A and Form CMS-855B changes), or the contact person listed in section 13 (for Form CMS-855A, Form CMS-855B, and Form CMS-855I changes) to verify the change. Hence, if the contractor cannot reach, as applicable, the individual physician/practitioner or an authorized or delegated official, it shall confirm the change with the contact person.
C. Change of EFT Information

If the provider submits a Form CMS-588 request to change the bank name, depository routing transit number, or depository account number, the contractor shall contact the individual physician/practitioner (for Form CMS-855I enrollees), an authorized or delegated official on record (for Form CMS-855A and Form CMS-855B enrollees), or the section 13 contact person on record (for Form CMS-855A, Form CMS-855B, and Form CMS-855I enrollees) to verify the change. Hence, if the contractor cannot reach, as applicable, the individual physician/practitioner or an authorized or delegated official, it shall confirm the change with the contact person.

D. Revalidations and Form CMS-855 Reactivations

When processing a revalidation or Form CMS-855 reactivation application, the contractor shall – unless another CMS directive instructs otherwise - the contractor shall abide by the instructions in subsections A and B above, respectively, if the (a) practice location address or (b) special payment address on the application is different than that which is currently associated with the provider in PECOS or MCS.

E. Reassignment of All Benefits

If a physician or non-physician practitioner who is currently reassigning all of his or her benefits attempts to enroll as a sole proprietorship or the sole owner of his or her professional corporation, professional association, or limited liability company, the contractor shall call the old practice location to determine if the physician or non-physician practitioner is still employed there; if he or she is not, contact the practitioner to verify that he or she is indeed attempting to enroll as a sole proprietorship or sole owner.

F. Potential Identity Theft or Other Fraudulent Activity

In conducting the verification activities described in this section 15.7.5, if the contractor believes that a case of identity theft or other fraudulent activity likely exists (e.g., physician or practitioner indicates that he or she is not establishing a new practice location or changing his or her EFT information, and that the application submitted in his/her name is false), the contractor shall notify its CMS Provider Enrollment & Oversight Group Business Function Lead (PEOG BFL) immediately; the BFL will instruct the contractor as to what, if any, action shall be taken.

15.7.5.1 – Special Procedures for Physicians and Non-Physician Practitioners

To help ensure that only qualified physicians and non-physician practitioners are enrolled in Medicare, the contractor shall undertake the activities described below.
For purposes of this section, the term “practitioner” includes both physicians and non-physician practitioners. In addition, the instructions in this section, apply only to these practitioners.

A. Monthly Reviews

No later than the 15th day of each month, the contractor shall review State licensing board information for each State within its jurisdiction to determine whether any of its currently enrolled practitioners have, within the previous 60 days:

1. Had their medical license revoked, suspended or inactivated (due to retirement, death, or voluntary surrender of license);

2. Otherwise lost their medical license or have had their licenses expire.

For those practitioners who no longer have a valid medical license, the contractor shall take the necessary steps to revoke the individual’s billing privileges.

The mechanism by which the contractor shall perform these monthly licensure reviews lies within its discretion, though the most cost-effective method shall be used.

B. Relocation to a New State

1. Licensure Reviews

When a practitioner submits a CMS-855I application to either: (1) add a practice location in a new State, or (2) relocate to a new State entirely, the contractor that received the application shall review State licensing board information for the “prior” State to determine:

1. Whether the practitioner had his or her medical license revoked, suspended, or inactivated (due to retirement, death, or voluntary surrender of license), or otherwise lost his or her license, and

2. If the practitioner has indeed lost his or her medical license, whether he or she reported this information to Medicare via the CMS-855I within the timeframe specified in 42 CFR 424.520.

If the practitioner is currently enrolled and did not report the adverse action to Medicare in a timely manner, the contractor shall revoke the practitioner’s Medicare billing privileges and establish a 1-year enrollment bar. If the practitioner is submitting an initial enrollment application (e.g., is moving to a new State and contractor jurisdiction) and did not report the adverse action in section 3 of the CMS-855I, the contractor shall deny the enrollment application and establish a 3-year enrollment bar.

2. Voluntary Withdrawal Reminder
When a practitioner submits a CMS-855I application to either: (1) add a practice location in a new State, or (2) relocate to a new State entirely, the contractor that received the application shall determine whether the practitioner still has an active PECOS enrollment record in the “other” State(s). If PECOS indeed indicates that the individual has an active practice location in the other State(s), the contractor shall remind the practitioner that if he/she no longer intends to practice in that State, he/she must submit a CMS-855 voluntary termination application to the contractor for that jurisdiction. The reminder should be given in the approval letter that the receiving contractor sends to the practitioner or, if more appropriate, in an e-mail or other form of written correspondence.

C. Break in Medical Practice

If the contractor receives a CMS-855I from a practitioner who was once enrolled in Medicare but who has not been enrolled with any Medicare contractor for the previous 2 years, the contractor shall verify with the State where the practitioner last worked whether the practitioner was convicted of a felony or had his or her license suspended or revoked. If such an adverse action was imposed, the contractor shall take action in accordance with the instructions in this chapter.

D. State Relationships

To the maximum extent possible, and to help ensure that it becomes aware of recent felony convictions of practitioners and owners of health care organizations, the contractor shall establish relationships with appropriate State government entities – such as, but not limited to, Medicaid fraud units, State licensing boards, and criminal divisions – designed to facilitate the flow of felony information from the State to the contractor. For instance, the contractor can request that the State inform it of any new felony convictions of health care practitioners.

15.7.6 - Special Processing Guidelines for Form CMS-855A, Form CMS-855B, Form CMS-855I and Form CMS-855R Applications (Rev. 609, Issued: 08-14-15, Effective: 11-02-15, Implementation: 11-02-15)

A. Reassignment Packages

In situations where an entity wants to simultaneously enroll a group practice, the individual practitioners therein, and to reassign benefits accordingly, the contractor shall adhere to the instructions contained in the scenarios below. As early in the process as possible, the contractor shall examine the incoming forms to see if a reassignment may be involved; also, the contractor is encouraged (though not required) to have the same analyst handle all three applications in the package.

1. Only the Form CMS-855Rs are submitted - If a brand new group with new practitioners is attempting to enroll but submits only the Form CMS-855Rs for its
group members (i.e., neither the initial Form CMS-855B nor the initial Form CMS-855Is were submitted), the contractor shall develop for the other forms if they are not submitted within 15 calendar days after receipt of the Form CMS-855Rs.

2. Only the Form CMS-855R is submitted and a Form CMS 855A or CMS 855B and Form CMS 855I is already on file – Suppose an individual: (1) submits only the Form CMS-855R without including the Form CMS-855A or Form CMS-855B and Form CMS-855I, and (2) indicates on the Form CMS-855R that he/she will be reassigning all or part of his/her benefits to the CAH II. The contractor shall not develop for the other forms if they are already on file. The Part B MAC/Fiscal Intermediary shall simply process the Form CMS-855R and reassign it to the Form CMS-855A.

3. Only the Form CMS-855B is submitted - If a brand new group wants to enroll but submits only the Form CMS-855B without including the Form CMS-855Is and Form CMS-855Rs for its group members (i.e., the Form CMS-855B arrives alone, without the other forms), the contractor shall develop for the other forms if they are not submitted within 15 calendar days after receipt of the Form CMS-855B.

4. Only the Form CMS-855I is submitted – Suppose an individual: (1) submits only the Form CMS-855I without including the Form CMS-855B and Form CMS-855R, and (2) indicates on the Form CMS-855I that he/she will be reassigning all or part of his/her benefits to the group practice. The contractor shall develop for the other forms if they are not submitted within 15 calendar days after receipt of the Form CMS-855B.

Suppose an individual: (1) submits only the Form CMS-855I, and (2) indicates on the Form CMS-855I that he/she will be reassigning all or part of his/her benefits to an existing Part A CAH II. The contractor shall develop for the CMS-855R if it is not submitted within 15 calendar days after receipt of the Form CMS-855I. Upon receipt of the CMS-855R, the contractor shall process the application and reassign the individual to the Part A entity.

B. Additional Instructions

The contractor shall abide by the following:

1. If an individual is joining a group that was enrolled prior to the Form CMS-855A or Form CMS-855B (i.e., the group or CAH II never completed a Form CMS-855), the contractor shall obtain a Form CMS-855A from the CAH II or Form CMS-855B from the group. During this timeframe, the contractor shall not withhold any payment from the group solely on the grounds that a Form CMS-855A or Form CMS-855B has not been completed. Once the group or CAH II’s application is received, the contractor shall add the new reassignment; if the Form CMS-855R was not submitted, the contractor shall secure it from the provider or supplier.

2. If a provider or supplier is changing its TIN, the transaction shall be treated as a brand new enrollment as opposed to a change of information. Consequently, the
provider or supplier must complete a full Form CMS-855 application and a new enrollment record must be created in PECOS. (This does not apply to ambulatory surgical centers and portable x-ray suppliers. These entities can submit a TIN change as a change of information unless a change of ownership is involved. If the latter is the case, the applicable instructions in sections 15.7.8.2.1 through 15.7.8.2.1.2 of this chapter should be followed.)

3. If the provider or supplier is adding or changing a practice location and the new location is in another State within the contractor’s jurisdiction, the contractor shall ensure that the provider or supplier meets all the requirements necessary to practice in that State (e.g., licensure). A complete Form CMS-855 for the new State is not required, though the contractor shall create a new enrollment record in PECOS for the new State.

4. All members of a group practice must be entered into PECOS.

15.7.7 – Special Processing Guidelines for Form CMS-855A Applications
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

Unless otherwise stated, all references to the “RO” in sections 15.7.7.1 through 15.7.7.7 of this chapter refer to the RO’s survey & certification staff.

15.7.7.1 - Changes of Ownership (CHOWs)
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

Changes of ownership (CHOWs) are officially defined in and governed by 42 CFR §489.18 and Publication 100-07, chapter 3, sections 3210 through 3210.5(C). The RO – not the contractor – makes the determination as to whether a CHOW has occurred (unless this function has been delegated).

Unless specified otherwise, the term “CHOW” - as used in sections 15.7.7.1 through 15.7.7.1.6 of this chapter - includes CHOWs, acquisitions/mergers and consolidations. Though section 2 of the Form CMS-855A separates the applicable transactions into CHOWs, acquisition/mergers and consolidations for ease of disclosing and reporting, they fall with the general CHOW category under 42 CFR §489.18 (e.g., an acquisition/merger is a type of CHOW under §489.18).

15.7.7.1.1 - Definitions
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

For purposes of provider enrollment only, there are three main categories of CHOWs captured on the Form CMS-855A application:

- “Standard” CHOW – This occurs when a provider’s CMS Certification Number (CCN) and provider agreement are transferred to another entity as a result of the latter’s purchase of the provider. To illustrate, suppose Entity A is enrolled in
Medicare, but Entity B is not. B acquires A. Assuming all regulatory requirements are met, A’s provider agreement and CCN number will transfer to B.

This is the most frequently encountered change of ownership scenario. As explained in section 15.7.7.1, even though it is technically an acquisition (i.e., B bought/acquired A) under § 489.18, this situation falls under the “CHOW” category – as opposed to the “Acquisition/Merger” category – on the Form CMS-855A.

- **Acquisition/Merger** - In general, this occurs when two or more Medicare-enrolled entities combine, leaving only one remaining CCN number and provider agreement. For instance, Entity A and Entity B are both enrolled in Medicare, each with its own CCN number and provider agreement. The two entities decide to merge. Entity B’s CCN number and provider agreement will be eliminated (leaving only Entity A’s CCN number and provider agreement).

If the acquisition results in an existing provider having new owners but keeping its existing provider number, the applicant should check the CHOW box in section 1A of the Form CMS-855A.

Unlike the new owner in a CHOW or consolidation, the new owner in an acquisition/merger need not complete the entire Form CMS-855A. This is because the new owner is already enrolled in Medicare. As such, the provider being acquired should be reported as a practice location in section 4 of the new owner’s Form CMS-855A.

- **Consolidations** - This occurs when the merger of two or more Medicare-enrolled entities results in the creation of a brand new entity. To illustrate, if Entities A and B decide to combine and, in the process, create a new entity (Entity C), the CCN numbers and provider agreements of both A and B will be eliminated. Entity C will have its own CCN number and provider agreement.

Note the difference between acquisitions/mergers and consolidations. In an acquisition/merger, when A and B combine there is one surviving entity. In a consolidation, when A and B combine there are no surviving entities. Rather, a new entity is created – Entity C.

Under 42 CFR §489.18(a)(4), the lease of all or part of a provider facility constitutes a change of ownership of the leased portion. If only part of the provider is leased, the original provider agreement remains in effect only with respect to the un-leased portion. (See Publication 100-07, chapter 3, section 3210.1D (4) for more information.)

Note that a provider may undergo a financial or administrative change that it considers to be a CHOW, but does not meet the regulatory definition identified in §489.18.

**15.7.7.1.2 - Examining Whether a CHOW May Have Occurred**
(Rev. 499, Issued: 12-27-13, Effective: 01-28-14, Implementation: 01-28-14)
As stressed in section 15.7.7.1, the RO – not the contractor – determines whether a CHOW has occurred (unless this function has been delegated). However, in processing the application, the contractor shall perform all necessary background research regarding whether: (1) a CHOW may have occurred, and/or (2) the new owner is accepting assignment of the Medicare assets and liabilities of the old owner. Such research may include reviewing the sales agreement or lease agreement, contacting the provider(s) to request clarification of the sales agreement, etc. (A CHOW determination by the RO is usually not required prior to the contractor making its recommendation.)

While a CHOW is usually accompanied by a tax identification number (TIN) change, this is not always the case. There may be isolated instances where the TIN remains the same. Conversely, there may be cases where a provider is changing its TIN but not its ownership. In short, while a change of TIN (or lack thereof) is evidence that a CHOW may or may not have occurred, it is not the most important factor; rather, the change in the provider’s ownership arrangement is. Hence, the contractor should review the sales/lease agreement closely, as this will help indicate whether a CHOW may or may not have occurred.

In addition:

(1) If the provider claims that the transaction in question is a stock transfer and not a CHOW, the contractor reserves the right to request any information from the provider to verify this (e.g., copy of the stock transfer agreement).

If – after performing the necessary research – the contractor remains unsure as to whether a CHOW has occurred and/or whether the new owner is accepting assignment, the contractor may refer the matter to the RO for guidance. Such referrals to the RO should only be made if the contractor is truly uncertain as to whether a CHOW and/or acceptance of assignment may have taken place and should not be made as a matter of course. A RO CHOW determination is usually not required prior to the contractor making its recommendation.

(2) There may be instances where the contractor enters a particular transaction into the Provider Enrollment, Chain and Ownership System (PECOS) as a CHOW, but it turns out that the transaction was not a CHOW (e.g., was a stock transfer; was an initial enrollment because the new owner refused to accept the Medicare liabilities). If the contractor cannot change the transaction type in PECOS, it can leave the record in a CHOW status; however, it should note in the provider’s file that the transaction was not a CHOW.

**15.7.7.1.3 - Processing CHOW Applications**
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

Unless stated otherwise in this chapter, the contractor shall ensure that all applicable
sections of the Form CMS-855A for both the old and new owners are completed in accordance with the instructions on the Form CMS-855A.

A. Old Owners

The old owner’s Form CMS-855A CHOW application does not require a recommendation for approval. Any recommendations will be based on the CHOW application received from the new owner.

If the old owner's Form CMS-855A is available at the time of review, the contractor shall examine the information thereon against the new owner’s Form CMS-855A to ensure consistency (e.g., same names). If the old owner's Form CMS-855A has not been received, the contractor shall contact the old owner and request it. However, the contractor may begin processing the new owner’s application without waiting for the arrival of the old owner’s application. It may also make its recommendation to the State agency without having received the old owner’s Form CMS-855A. The contractor, of course, shall not make a recommendation for approval unless the new owner has checked on the form that it will assume the provider agreement and the terms of the sales agreement indicate as such.

If a certification statement is not on file for the old owner, the contractor shall request that section 6 be completed for the individual who is signing the certification statement.

Note that an old owner’s Form CMS-855A CHOW application is essentially the equivalent of a Form CMS-855 voluntary termination submission, as the seller is voluntarily leaving the Medicare program. As such, the contractor shall not require the seller to submit a separate Form CMS-855 voluntary termination along with its Form CMS-855A CHOW application.

B. New Owners

If a Form CMS-855A is not received from the new owner within 14 calendar days of receipt of the old owner’s Form CMS-855A, the contractor shall contact the new owner. If the new owner fails to: (1) submit a Form CMS-855A and (2) indicate that it accepts assignment of the provider agreement, within 30 calendar days after the contractor contacted it, the contractor shall stop payments unless the sale has not yet taken place per the terms of the sales agreement. Payments to the provider can resume once this information is received and the contractor ascertains that the provider accepts assignment.

C. Order of Processing

To the maximum extent practicable, Form CMS-855A applications from the old and new owners in a CHOW should be processed as they come in. The contractor should not wait for applications from both the old and new owner to arrive before processing them. However, unless the instructions in this chapter indicate otherwise, the contractor
should attempt to send the old and new applications to the State simultaneously, rather than as soon as they are processed. For instance, suppose the old owner submits an application on March 1. The contractor should begin processing the application immediately, without waiting for the arrival of the new owner’s application. Yet it should avoid sending the old owner’s application to the State until the new owner’s application is processed. (For acquisition/mergers and consolidations, the contractor may send the applications to the RO separately, since one number is going away.)

D. Sales and Lease Agreements

The contractor shall abide by the following:

- **Verification of Terms** - The contractor shall determine whether: (1) the information contained in the sales/lease agreement is consistent with that reported on the new owner's Form CMS-855A (e.g., same names), and (2) the terms of the contract indicate that the new owner will assume the provider agreement. In many cases, the sales/lease agreement will not specifically refer to the Medicare provider agreement. Clearly, if the box in section 2F is checked "Yes" and the sales/lease agreement either confirms that the new owner will assume the agreement or is relatively silent on the matter, the contractor can proceed as normal. Conversely, if the agreement indicates that the assets and liabilities will not be accepted, the contractor should deny the application.

- **Form of Sales/Lease Agreement** - There may be instances where the parties in a CHOW did not sign a “sales” or “lease” agreement in the conventional sense of the term; the parties, for example, may have documented their agreement via a “bill of sale.” The contractor may accept this documentation in lieu of a sales/lease agreement so long as the document furnishes clear verification of the terms of the transaction.

- **Submission of Final Sales/Lease Agreement** - The contractor shall not forward a copy of the application to the State agency until it has received and reviewed the final sales/lease agreement. It need not revalidate the information on the Form CMS-855A, even if the data therein may be somewhat outdated by the time the final agreement is received.

If a final sales/lease agreement is not submitted within 90 days after the contractor’s receipt of the new owner’s application, the contractor shall reject the application. Though the contractor must wait until the 90th day to reject the application, the contractor may do so regardless of how many times it contacted the new owner or what types of responses (short of the actual receipt of the agreement) were obtained.

Unless specified otherwise in this chapter, both the old and new owners must submit separate Form CMS-855A applications, as well as copies of the interim and final sales/lease agreements.
E. CHOWs Involving Subunits and Subtypes

Any subunit that has a separate provider agreement (e.g., home health agency (HHA) subunits) must report its CHOW on a separate Form CMS-855A. It cannot report the CHOW via the main provider’s Form CMS-855A. If the subunit has a separate CMS Certification Number (CCN) but not a separate provider agreement (e.g., hospital psychiatric unit, HHA branch), the CHOW can be disclosed on the main provider’s Form CMS-855A. This is because the subunit is a practice location of the main provider and not a separately enrolled entity.

On occasion, a CHOW may occur in conjunction with a change in the facility’s provider subtype. This frequently happens when a hospital undergoes a CHOW and changes from a general hospital to another type of hospital, such as a psychiatric hospital. Although a change in hospital type is considered a change of information (COI), it is not necessary for the provider to submit separate applications – one for the COI and one for the CHOW. Instead, all information (including the change in hospital type) should be reported on the CHOW application; the entire application should then be processed as a CHOW. However, if the facility is changing from one main provider type to another (e.g., hospital converting to a skilled nursing facility) and also undergoing a CHOW, the provider must submit its application as an initial enrollment.

NOTE: For Medicare purposes, a critical access hospital (CAH) is a separately-recognized provider type. Thus, a general hospital that undergoes a CHOW while converting to a CAH must submit its Form CMS-855A as an initial enrollment, not as a CHOW.

F. Early Submission of CHOW Application

The contractor may accept Form CMS-855A CHOW applications submitted up to 90 calendar days prior to the anticipated date of the ownership change. Any application received more than 90 days before the projected sale date can be returned under section 15.8.1 of this chapter.

G. Unreported CHOW

If the contractor learns via any means that an enrolled provider has: (1) been purchased by another entity, or (2) purchased another Medicare enrolled provider, the contractor shall immediately request Form CMS-855A applications from both the old and new owners. If the new owner fails to submit a Form CMS-855A within the latter of: (1) the date of acquisition, or (2) 30 days after the request, the contractor shall stop payments to the provider. Payments may be resumed upon receipt of the completed Form CMS-855A.

If the contractor learns of the transaction via the receipt of a tie-in notice from the RO, it shall follow the instructions under “Receipt of Tie-In When CMS-855A Not
Completed” in section 15.7.7.2 of this chapter.

H. Relocation of Entity

A new owner may propose to relocate the provider concurrent with the CHOW. If the relocation is to a site in a different geographic area serving different clients than previously served and employing different personnel to serve those clients, the contractor shall notify the RO immediately. Unless the RO dictates otherwise, the provider shall - per CMS Publication 100-07, chapter 3, section 3210.1(B)(5) - treat the transaction as an initial enrollment (and the provider as a new applicant), rather than as an address change of the existing provider.

I. Transitioning to Provider-Based Status

Consistent with existing CMS policy, a provider undergoing a CHOW pursuant to 42 CFR §489.18 may be assigned to a new contractor jurisdiction only if the provider is transitioning from freestanding to provider-based status. In such cases, the contractor for the new jurisdiction (the “new contractor”) shall process both the buyer’s and seller’s Form CMS-855A applications. Should the “old” (or current) contractor receive the buyer’s or seller’s Form CMS-855A application, it shall: (a) forward the application to the new contractor within 5 business days of receipt, and (b) notify the new contractor within that same timeframe that the application was sent.

15.7.7.1.4 - Intervening Change of Ownership (CHOW)  
(Rev. 462, Issued: 05-16-13 Effective: 03-18-13, Implementation: 03-18-13)

(This section does not apply to home health agencies)

In situations where (1) the provider submits a Form CMS-855A initial application or CHOW application and (2) a CMS-855A CHOW application is subsequently submitted but before the contractor has received the tie-in notice from the CMS Regional Office (RO), the contractor shall abide by the following:

- **Situation 1 –** The provider submitted an initial application followed by a CHOW application, and a recommendation for approval has not yet been made with respect to the initial application – The contractor shall return both applications and require the provider to re-submit an initial application with the new owner’s information.

- **Situation 2 -** The provider submitted a CHOW application followed by another CHOW application, and a recommendation for approval has not been made for the first application - The contractor shall process both applications – preferably in the order in which they were received – and shall, if recommendations for approval are warranted, refer both applications to the State/RO in the same package. The accompanying notice/letter to the State/RO shall explain the situation.
- Situation 3 - The provider submitted an initial application followed by a CHOW application, and a recommendation for approval of the initial application has been made – The contractor shall:

  - Return the CHOW application.

  - Notify the State/RO via letter (sent via mail or e-mail) that there has been a change of ownership (the new owner should be identified) and that the contractor will be requiring the provider to resubmit a new initial application containing the new owner’s information.

  - Request via letter that the provider submit a new initial CMS-855A application containing the new owner’s information within 30 days of the date of the letter. If the provider fails to do so, the contractor shall return the initial application and notify the provider and the State/RO of this via letter. If the provider submits the application, the contractor shall process it as normal and, if a recommendation for approval is made, send the revised application package to the State/RO with an explanation of the situation; the initially submitted application becomes moot. If the newly submitted application is denied, however, the initially submitted application is denied as well; the contractor shall notify the provider and the State/RO accordingly.

- Situation 4 - The provider submitted a CHOW application followed by another CHOW application, and a recommendation for approval has been made for the first application - The contractor shall:

  - Notify the State/RO via e-mailed letter that there has been a change of ownership (the new owner should be identified) and that the contractor will be requiring the provider to resubmit a new initial application containing the new owner’s information.

  Process the new CHOW application as normal. If a recommendation for approval is made, the contractor shall send the revised CHOW package to the State/RO with an explanation of the situation; the first CHOW application becomes moot. If the newly submitted CHOW application is denied, the first application is denied as well; the contractor shall notify the provider and the State/RO accordingly.

15.7.7.1.5 – Electronic Funds Transfer (EFT) Payments and CHOWs
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

In a CHOW, the contractor shall continue to pay the old owner until it receives the tie-in/approval notice from the RO. Hence, any application from the old or new owner to change the EFT account or special payment address to that of the new owner shall be rejected. It is ultimately the responsibility of the old and new owners to work out any payment arrangements between themselves while the contractor and RO are processing the CHOW. It is advisable that the contractor notify the new owner of this while the
15.7.7.1.6 – Pre-Approval Changes of Information  
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

A. Seller

If – prior to the issuance of the tie-in notice – the contractor receives from the seller a Form CMS-855 request to change any of the provider’s enrollment data, the contractor shall reject the change request if the information in question involves changing the provider’s:

1. Electronic funds transfer or special payment address information to that of the buyer (as described in section 15.7.7.1.5 of this chapter)
2. Practice location or base of operations to that of the buyer
3. Ownership or managing control to that of the buyer
4. Legal business name, tax identification number, or “doing business as” name to that of the buyer.

All other “pre-tie-in notice” Form CMS-855 change requests from the seller can be processed normally.

B. Buyer

If – prior to the issuance of the tie-in notice – the contractor receives from the buyer a Form CMS-855 request to change any of the provider’s existing enrollment information, the contractor shall reject the change request. Until the tie-in notice is issued, the seller remains the owner of record. Hence, the buyer has no standing to submit Form CMS-855 changes on behalf of the provider.

15.7.7.2 - Tie-In/Tie-Out Notices and Referrals to the State/RO  
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

A. Issuance of Tie-In/Tie-Out Notices

A tie-in or tie-out notice (CMS-2007) is generally issued in the following circumstances:

1. Initial enrollments
2. CHOWs
3. Voluntary terminations
4. Involuntary terminations (e.g., provider no longer meets conditions of participation or coverage) prompted by the state/RO

With the exception of voluntary and involuntary terminations, each of the transactions described above requires a referral and recommendation to the state/RO.

(Depending on the specific RO, certain changes of information may also result in the issuance of a CMS-2007.)

B. Form CMS-855 Changes of Information, Stock Transfers, and Other Transactions

1. Referrals to State/RO

The following is a list of Form CMS-855A transactions that generally require a recommendation and referral to the state/RO:

- Addition of outpatient physician therapy/outpatient speech pathology extension site
- Addition of hospice satellite
- Addition of home health agency branch
- Change in type of Prospective Payment System (PPS)-exempt unit
- Conversion of a hospital from one type to another (e.g., acute care to psychiatric)
- Change in practice location or subunit address in cases where a survey of the new site is required
- Stock transfer

In these situations, the Provider Enrollment, Chain and Ownership System (PECOS) record should not be switched to “approved” until the contractor receives notice from the RO that the latter has authorized the transaction. However, if the contractor knows that the particular state/RO in question typically does not review, approve, or deny this type of transaction, the contractor need not send the transaction to the state/RO for approval and shall instead follow the instructions in (B)(2) below.

(If the transaction is a stock transfer, the contractor need not send the transaction to the state/RO for approval (and shall instead follow the instructions in (B)(2) below) if the following three conditions are met:
(1) The contractor is confident that the transaction is merely a transfer of stock and not a CHOW,

(2) The RO in question (based on the contractor’s past experience with this RO) does not treat stock transfers as potential CHOWs, and

(3) The contractor knows that the particular state/RO in question does not review, approve, or deny this type of transaction.

If any of these 3 conditions are not met, the contractor shall send the transaction to the state/RO for approval.

RO approval for the transactions listed in (B)(1) may be furnished to the contractor via tie-in notice, letter, e-mail, fax, or even telephone; the contractor may accept any of these formats.

If the RO (after receiving the transaction from the contractor for review) notifies the contractor that it does not normally review/approve/deny such transactions, the contractor may finalize the transaction (e.g., switch the PECOS record to “approved”)

2. Post-Approval RO Contact Required

Form CMS-855A changes that do not mandate a recommendation to the state/RO but do require post-approval correspondence with the RO include:

- Deletions/voluntary terminations of practice locations or hospital subunits
- Legal business name, tax identification number, or “doing business as name” changes that do not involve a CHOW
- Address changes that do not require a survey of the new location
- Addition of hospital practice location
- The transactions (excluding stock transfers) described in (B)(1) for which the contractor knows that the state/RO does not issue approvals/denials
- Stock transfers for which the 3 conditions mentioned in (B)(1) are met.

For these transactions, the contractor shall: (1) notify the provider via letter, fax, e-mail, or telephone that the change has been made, and (2) switch the PECOS record to “approved.” The contractor shall also notify the state and RO of the changed information (via any mechanism it chooses, including copying the state/RO on the notification letter or e-mail) no later than 10 calendar days after it has completed processing the transaction. Such notice to the State/RO shall specify the type of information that is changing.
3. All Other Changes of Information

For all Form CMS-855A change requests not identified in (B)(1) or (B)(2) above, the contractor shall notify the provider via letter, fax, e-mail, or telephone that the change has been made and shall switch the PECOS record to “approved.” The state and RO need not be notified of the change.

4. Revalidations, Reactivations and Complete Form CMS-855 Applications

In situations where the provider submits a: (1) Form CMS-855A reactivation, (2) Form CMS-855A revalidation, or (3) full Form CMS-855A as part of a change of information (i.e., the provider has no enrollment record in PECOS), the contractor shall make a recommendation to the state/RO and switch the PECOS record to “approval recommended” only if the application contains new/changed data falling within one of the categories in (B)(1) above. For instance, if a revalidation application reveals a new hospital psychiatric unit that was never reported to CMS via the Form CMS-855A, the contractor shall make a recommendation to the state/RO and await the RO’s approval before switching the record to “approved.” In this situation, the contractor should forward the application to the state with a note explaining that the only matter the state/RO needs to consider is the new hospital unit.

If the application contains new/changed data falling within one of the categories in (B)(2) above, the contractor can switch the PECOS record to “approved.” It shall also notify the state and RO of the changed information (via any mechanism it chooses, including copying the state/RO on the notification letter or e-mail) no later than 10 calendar days after it has completed processing the transaction.

C. Provider-Specific, Non-CMS-855 Changes

If the contractor receives a tie-in notice or approval letter from the RO for a transaction/change regarding information that is not collected on the Form CMS-855A, the contractor need not ask the provider to submit a Form CMS-855A change of information.

D. Involuntary Termination Prompted by State/RO

If the contractor receives a tie-out notice from the RO that involuntarily terminates the provider’s Medicare participation because the provider no longer meets the conditions of participation, the contractor need not send a letter to the provider notifying it that its Medicare participation/enrollment has been terminated. (The RO will issue such a letter and afford appeal rights.) The contractor shall adhere to the instructions in section 15.27.2 of this chapter with respect to revoking the provider’s/supplier’s enrollment.

E. Other Procedures Related to Tie-In Notices, Tie-Out Notices and Approval
Letters

1. Receipt of Tie-In When Form CMS-855A Not Completed - If the contractor receives a tie-in notice or approval letter from the RO but the provider never completed the necessary Form CMS-855A, the contractor shall have the provider complete and submit said form. This applies to initial applications, CHOWs, practice location additions, etc., but does not apply to the cases described in subsection C above.

2. Delegation to State Agency – There may be instances when the RO delegates the task of issuing tie-in notices, tie-out notices or approval letters to the state agency. The contractor may accept such notices from the state in lieu of those from the RO. However, the contractor should first contact the applicable RO to confirm: (1) that the RO has delegated this function to the state, and (2) the specific transactions (e.g., CHOWs, HHA branch additions) for which this function has been delegated.

3. Review for Consistency - When the contractor receives a tie-in notice or approval letter from the RO, it shall review its contents to ensure that the data on the notice/letter matches that on the Form CMS-855A. If there are discrepancies (e.g., different legal business name, address), the contractor shall contact the applicable RO to determine why the data is different.

4. Creation of New Logging and Tracking (L & T) Record Unnecessary - The contractor is not required to create a new L & T record in PECOS when the tie-in notice arrives, as the existing record should not be in a final status and can therefore be modified. Simply changing the L & T status is sufficient.

5. Provider Inquiries – Once the contractor has made its recommendation for approval to the state/RO, any inquiry the contractor receives from the provider regarding the status of its request for Medicare participation shall be referred to the state or RO.

6. Timeframes - So as not to keep the PECOS record in “approval recommended” status interminably, if the contractor does not receive notification of approval from the RO after what it deems to be an excessive amount of time, it may contact the RO to see if such approval is forthcoming.

15.7.7.2.1 – Processing Tie-In Notices/Approval Letters
(Rev. 433, Issued: 09-07-12, Effective: 10-09, 12, Implementation 10-09-12)

With respect to Form CMS-855A transactions for which a post-tie-in notice/approval letter site visit is not required (e.g., providers in the “limited” risk category), the contractor shall complete its processing of said notice/letter within 21 calendar days after its receipt of the tie-in/approval notice. For purposes of this requirement, the term “processing” includes all steps taken by the contractor’s enrollment and non-enrollment units (e.g. financial area, reimbursement area) to establish the provider’s ability to bill Medicare such as, but not limited to:
1. Entering all relevant data into the Provider Enrollment, Chain and Ownership System (PECOS).

2. Changing the provider’s PECOS record to the appropriate status (e.g., “approved”).

3. Facilitating the provider’s electronic funds transfer and electronic data interchange arrangements.

4. Notifying the provider (via any mechanism the contractor chooses) that it may begin billing.

The 21-day period begins on the day that the contractor receives the tie-in notice and ends on the day that the contractor notifies the provider that it can commence billing.

Regarding Form CMS-855A transactions that require a post-tie-in notice/approval letter site visit, the contractor shall process the tie-in notice/letter within 45 calendar days of its receipt of the notice/letter. This is to account for the additional time needed for the site visit to be performed.

15.7.7.3 - Reserved for Future Use
(Rev. 435, Issued: 10-19-12, Effective: 11-20-12, Implementation: 11-20-12)

15.7.7.4 - State Surveys and the Form CMS-855A
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

In general, information on the Form CMS-855A is still considered valid notwithstanding a delay in the State survey. However, the provider must submit an updated Form CMS-855A application to the contractor if:

- The contractor becomes aware of such a delay;
- The delay is the fault of the provider; and
- At least 6 months have passed since the contractor sent its recommendation for approval to the State.

If these criteria are met, the contractor shall send a letter to the provider requesting an updated Form CMS-855A. The application must contain, at a minimum, any information that is new or has changed since the recommendation for approval was made, as well as a newly-signed certification statement. If no information has changed, the provider may instead submit: (1) a letter on its business letterhead stating as such, and (2) a newly-signed Form CMS-855A certification statement.

NOTE: If the applicant is a home health agency (HHA), it must resubmit capitalization data per section 12 of the Form CMS-855A regardless of whether any of the provider’s
other Form CMS-855A information has changed. To illustrate, if no Form CMS-855A data has changed, the HHA must submit the letter, capitalization data and the signed certification statement.

If the provider fails to furnish the requested information within 60 days of the contractor’s request, the contractor shall submit a revised letter to the State that recommends denial of the provider’s application.

15.7.7.5 - Sole Proprietorships

If the provider indicates in section 2B1 of the Form CMS-855A that he/she is a sole proprietor, the contractor shall note the following:

- The LBN in section 2B1 should list the person’s (the sole proprietor’s) legal name.
- The TIN in section 2B1 should list the person’s social security number.
- Section 3 of the Form CMS-855A must be completed with information about the individual’s final adverse action history.
- Section 5 of the Form CMS-855A will not apply unless the person has hired an entity to exercise managerial control over the business (i.e., no owners will be listed in section 5, as the sole owner has already reported his/her personal information in sections 2 and 3).
- No owners, partners, or directors/officers need to be reported in section 6. However, all managing employees (whether W-2 or not) must be listed.
- The sole proprietor may list multiple authorized or delegated officials in sections 15 and 16.

Since most sole proprietorships that complete the Form CMS-855A will also have an employer identification number (EIN), the contractor shall request from the provider a copy of its CP-575, any federal tax department tickets, or any other preprinted information from the IRS containing the provider’s EIN.

15.7.7.6 - Additional Form CMS-855A Processing Instructions
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

A. Non-Enrollment Functions

In some instances, the contractor cannot forward an application to the State until it performs certain non-enrollment functions pertaining to the application (e.g., the reimbursement unit needs to examine patient listing data). The contractor may flip the
provider’s status in the Provider Enrollment, Chain and Ownership System (PECOS) to “approval recommended” prior to the conclusion of the non-enrollment activity if: (1) all required enrollment actions have been completed, and (2) the non-enrollment action is the only remaining activity to be performed.

**B. Multiple Providers under a Single Tax Identification Number (TIN)**

Multiple providers may have the same TIN. However, each provider must submit a separate Form CMS-855A application and the contractor must create a separate enrollment record for each.

**C. Future Effective Dates**

If the contractor cannot enter an effective date into PECOS because the provider, practice location, etc., is not yet established, the contractor may use the authorized official’s date of signature as the temporary effective date. Once the actual effective date is established (e.g., the tie-in notice is received), the contractor shall change the effective date in PECOS.

**15.7.7.7 – Contractor Jurisdictional Issues**
*(Rev. 492, Issued: 12-06-13, Effective: 01-07-14, Implementation: 01-07-14)*

**A. Audit and Claims Contractors**

1. Background

For purposes of enrollment via the Form CMS-855A, there are generally two categories of contractors: audit contractors and claims contractors. The audit contractor enrolls the provider, conducts audits, etc. The claims contractor pays the provider’s claims. In most cases, the provider’s audit contractor and claims contractor will be the same. On occasion, though, they will differ. This can happen, for instance, with provider-based entities, whereby the parent provider’s contractor (audit contractor) will process the provider’s enrollment application and a different contractor will pay the provider’s claims (claims contractor).

Should the audit and claims contractors differ, the audit contractor shall process all changes of information, including all Form CMS-588 changes. The audit contractor shall notify the applicant during the initial enrollment process that all future changes of information must be sent to the audit contractor, not the claims contractor. If the provider inadvertently sends a change request to the claims contractor, the latter shall return the application per section 15.8.1 of this chapter.

2. Process

If the audit contractor approves the Form CMS-855A transaction in question (e.g., initial enrollment), it shall:
(a) Send an e-mail to the claims contractor identifying the specific Form CMS-855A transaction involved and confirming that the information has been updated in the Provider Enrollment, Chain and Ownership System (PECOS). Pertinent identifying information, such as the provider name, CMS Certification Number and National Provider Identifier, shall be included in the e-mail notification. Any supporting documentation that contains personal health information or personally identifiable information may still be faxed to the claims contractor.

(b) As applicable, fax or mail a copy of the submitted Form CMS-588 to the appropriate claims contractor.

Upon receipt of the e-mail notification, the claims contractor shall access PECOS, review the enrollment record, and, as needed, update its records accordingly.

The audit contractor shall keep all original copies of Form CMS-855A paperwork and supporting documentation, including all Form CMS-588s.

3. Tie-In/Tie-Out Notices and Approval Notices

If the provider’s audit contractor and claims contractor are different, the audit contractor shall e-mail or fax a copy of all tie-in/tie-out notices and approval letters it receives to the claims contractor. This is to ensure that the claims contractor is fully aware of the RO’s action, as some ROs may only send copies of tie-in/tie-out notices and approval letters to the audit contractor. If the audit contractor chooses, it can simply contact the claims contractor by phone or e-mail and ask if the latter received the tie-in notice.

Again, it is imperative that audit and claims contractors effectively communicate and coordinate with each other in all payment-related and program integrity matters involving the provider.

B. Provider Nomination

With respect to provider nomination and changes of contractors, the contractor shall follow the instructions in Pub. 100-04, chapter 1, sections 20 through 20.5.1.

If the contractor receives a request from a provider to change its existing contractor, it shall refer the provider to the RO contact person responsible for contractor assignments.

15.7.8 – Special Processing Guidelines for Independent CLIA Labs, Ambulatory Surgical Centers and Portable X-ray Suppliers (Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

Unless otherwise stated, all references to the “RO” in sections 15.7.8.2 through 15.7.8.5 of this chapter refer to the RO’s survey & certification staff.
15.7.8.1 - CLIA Labs
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

Labs that are “integrated” into an existing provider or supplier do not require a separate Form CMS-855B enrollment. “Integrated” labs typically are those that have exactly the same ownership and physical location as another enrolled supplier or provider. (Common examples include: (1) hospital labs and (2) a lab at a physician's office.) If a lab is considered “integrated,” the parent provider shall identify the lab as a practice location in section 4 of its Form CMS-855.

If the lab is not “integrated,” the lab must enroll as an independent CLIA lab via the Form CMS-855B application. The contractor shall advise the lab that it must contact the applicable CLIA office; the lab cannot be enrolled until it receives a CLIA number. The contractor shall also ensure that the lab is CLIA-certified and, as applicable, State-licensed.

Labs that do not plan to participate in the Medicare program must be directed to the applicable CLIA office.

For more information on the enrollment of CLIA labs, refer to section 15.4.2.2 of this chapter.

15.7.8.2 - Ambulatory Surgical Centers (ASCs) and Portable X-ray Suppliers (PXRS) - Initial Enrollment
(Rev. 474, Issued: 07-05-13, Effective: 10-08-13, Implementation: 10-08-13)

Unlike other supplier types that enroll via the Form CMS-855B, ASCs and PXRSs must receive a State survey and RO approval before they can enroll in Medicare. Accordingly, once it finishes reviewing the supplier’s application, the contractor may only make a recommendation for approval to the State. The contractor shall not enroll the supplier until it receives a tie-in notice or approval letter from the RO and – in the case of PXRSs - a follow-up site visit is performed per section 15.4.2.5 of this chapter.

When enrolling the ASC or PXRS, the contractor shall use the effective date that is indicated on the tie-in notice/approval letter. This is the date from which the supplier can bill for services. See section 15.7.8.4 of this chapter for more information on ASC/PXRS tie-in notices/approval letters.

15.7.8.3 - Ambulatory Surgical Centers (ASCs)/Portable X-ray Suppliers (PXRS) Changes of Ownership (CHOWs)
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

Though ASCs and PXRSs are not mentioned in 42 CFR § 489.18, CMS generally applies the change of ownership (CHOW) provisions of § 489.18 to them. CHOWs involving ASCs and PXRSs are thus handled in accordance with the principles in §489.18 and Publication 100-07, chapter 3, sections 3210 through 3210.5(C). Note that
the RO – not the contractor – determines whether a CHOW has occurred (unless this function has been delegated).

As discussed in sections 15.4.2.1 and 15.4.2.5 of this chapter, an ASC must sign a supplier agreement with Medicare prior to enrollment. PXRSs have no such requirement. However, the contractor shall – unless CMS instructs otherwise – process Form CMS-855B ASC CHOW applications in the same manner as PXRS CHOW applications.

15.7.8.3.1 – Examining Whether a CHOW May Have Occurred  
(Rev. 474, Issued: 07-05-13, Effective:10-08-13, Implementation: 10-08-13)

A. Review of Sales Agreement

If the “Change of Ownership” box in section 1B of the Form CMS-855B is checked, the contractor shall ensure that the entire application is completed and that the supplier submits a copy of the sales agreement. The contractor shall review the sales agreement to determine whether:

1. The ownership change qualifies as a CHOW under the principles of 42 CFR §489.18 and Pub. 100-07, chapter 3, section 3210.1D;

2. Its terms indicate that the new owner will be accepting assignment of the Medicare assets and liabilities of the old owner;

3. The information contained in the agreement is consistent with that reported on the new owner's Form CMS-855B (e.g., same names)

If the sales agreement is unclear as to issues 1 and 2 above, the contractor shall request clarifying information from the supplier. **(NOTE: Some sales agreements may fail to specifically refer to Medicare supplier agreements, assets, and/or liabilities, therefore requiring a close review of the sales agreement in its totality.)** The information shall be in the form of additional legal documentation or a letter. If the clarification – for whatever reason - requires an update to the supplier’s Form CMS-855B application, the contractor shall request the submission of said update. In addition, if the contractor discovers discrepancies between the data in the sales agreement and that on the Form CMS-855B (issue 3 above), the contractor shall seek clarifying information and, if necessary, obtain an updated Form CMS-855B.

In reviewing the application and the sales agreement, the contractor shall keep in mind the following:

- There may be instances where the parties in a CHOW did not sign a “sales agreement” in the conventional sense of the term; the parties, for example, may have documented their agreement in a “bill of sale.” The contractor may accept this
alternative documentation in lieu of a sales agreement so long as the document furnishes clear verification of the terms of the transaction.

- While a CHOW is usually accompanied by a TIN change, this is not always the case; there may be a few instances where the TIN remains the same. Conversely, there may be cases where a supplier is changing its TIN but not its ownership. So while a change of TIN (or lack thereof) is evidence that a CHOW has or has not occurred, it is not the most important factor; rather, the change in the provider’s ownership structure is.

- Form CMS-855B CHOW applications may be accepted by the contractor up to 90 calendar days prior to the anticipated date of the proposed ownership change. Any application received more than 3 months in advance of the projected sale date shall be returned under section 15.8.1 of this chapter.

- On occasion, an ASC or PXRS may submit a Form CMS-855B change of information to report a large-scale stock transfer or other significant ownership change that the supplier does not believe qualifies as a CHOW. If the contractor has any reason to suspect that the transaction in question may indeed be a CHOW, it shall request clarifying information (e.g., copy of the stock transfer agreement).

If – after performing the necessary research – the contractor remains unsure as to whether a CHOW has occurred and/or whether the new owner is accepting assignment, the contractor may refer the matter to the RO for guidance. Such referrals to the RO should only be made if the contractor is truly uncertain as to whether a CHOW and/or acceptance of assignment has taken place and should not be made as a matter of course. A RO CHOW determination is usually not required prior to the contractor making its recommendation.

B. Processing Steps

After performing the steps identified in subsection (A) above, the contractor shall abide by the following:

1. If the contractor believes that a CHOW has occurred but the new owner is not accepting the assets and liabilities of the old owner, the contractor shall treat the ASC/PXRS as a brand new supplier. It shall notify the ASC/PXRS that it must submit: (1) a Form CMS-855B voluntary termination to terminate the “old” facility, and (2) a Form CMS-855B initial enrollment for the “new” facility.

2. If the contractor believes that a CHOW has taken place and that the new owner is accepting the old owner’s assets and liabilities, it shall process the application normally and make a recommendation for approval to the State (with a cc: to the RO) or, if applicable, issue a denial. If the valid CHOW/acceptance of assignment was accompanied by a change in TIN, the transaction must be treated as a CHOW notwithstanding the general rule that a TIN change constitutes an initial enrollment. In
other words, the reporting rules regarding CHOWs/assignments in this particular situation take precedence over the “change of TIN” principle.

3. If the contractor believes that a CHOW has not occurred and that the transaction merely represents an ownership change (e.g., minor stock transfer) that does not qualify as a 42 CFR §489.18-type CHOW, the transaction must be reported as a change of information. The only exception to this is if the change of information was accompanied by a change of TIN, in which case the supplier must enroll as a new entity.

NOTE: It is not uncommon for a supplier to undergo a financial or administrative change that it considers to be a CHOW but in actuality does not meet the regulatory definition identified in §489.18.

In scenario 2 above, the contractor shall not forward a copy of the CHOW application to the State agency until it has received and reviewed the final sales agreement. (In some cases, the supplier may submit an interim sales agreement with its application; this is acceptable, so long as it submits the final agreement in accordance with these instructions.) If the final sales agreement is not submitted within 90 days after the contractor’s receipt of the new owner’s application, the contractor shall reject the application. Though the contractor must wait until the 90th day to reject the application, the contractor may do so regardless of how many times it contacted the new owner or what type of responses (short of the actual receipt of the sales agreement) were obtained.

C. Entry into the Provider Enrollment, Chain and Ownership System (PECOS)

If it appears that the new owner will be accepting assignment as well as the assets and liabilities of the old owner, the contractor shall enter the changed data into the old owner’s enrollment record in PECOS and, if applicable, switch the record to an “Approval Pending Regional Office Review” status. A new enrollment record shall not be created. If the RO approves the CHOW and sends the tie-in/approval notice to the contractor, the supplier’s CMS Certification Number (CCN) will be maintained and the information in the existing record will be updated to reflect the new owner’s information once the record is switched to an approved status.

If it appears that the new owner will not be accepting assignment as well as the assets and liabilities of the old owner, a new enrollment record shall be created containing the new owner’s information.

D. CHOWs and Address Changes

A new owner may propose to relocate the supplier concurrent with a CHOW. If the relocation is to a site in a different geographic area serving different clients than previously served and employing different personnel to serve those clients, the contractor shall notify the RO immediately. Unless the RO dictates otherwise, the
supplier shall - per Pub. 100-07, chapter 3, section 3210.1(B)(5) - treat the transaction as an initial enrollment (and the supplier as a new applicant), rather than as an address change of the existing supplier.

15.7.8.3.2 – Electronic Funds Transfer (EFT) Payments and CHOWs (Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

In a CHOW, the contractor shall continue to pay the old owner until it receives the tie-in/approval notice from the RO. Thus, any application from the old or new owner to change the EFT account or special payment address to that of the new owner shall be rejected. It is ultimately the responsibility of the old and new owners to work out any payment arrangements between themselves while the contractor and RO are processing the CHOW. It is advisable that the contractor notify the supplier of this while the application is being processed.

If – pursuant to the CHOW – the seller submits a Form CMS-855B voluntary termination application, the contractor shall contact and explain to the seller that the ambulatory surgical center/portable x-ray supplier will not receive any payments until the RO approves the CHOW. (This is because payments must be sent to the seller until the tie-in/approval letter is sent). If the seller insists that its application be processed, the contractor shall process it; however, it shall first notify the facility/new owner and explain that payments will cease once the seller’s termination is effective.

15.7.8.4 - Ambulatory Surgical Centers (ASCs)/Portable X-ray Suppliers (PXRS) Tie-In/Tie-Out Notices and Referrals to the State/RO (Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

(For purposes of this section 15.7.8.4, the terms “tie-in notices” and approval letters will be collectively referred to as tie-in notices. “Tie-out notices” are notices from the RO to the contractor that, in effect, state that the ASC’s/PXRS’s participation in Medicare should be terminated.)

A. Issuance of Tie-In/Tie-Out Notices

A tie-in or tie-out notice is generally issued in the following circumstances:

1. Initial enrollments

2. CHOWs

3. Voluntary terminations

4. Involuntary terminations (e.g., supplier no longer meets conditions of coverage) prompted by the state/RO.
With the exception of voluntary and involuntary terminations, each of the transactions described above requires a referral and recommendation to the state/RO.

(Depending on the specific RO, certain changes of information may also result in the issuance of a CMS-2007.)

B. Form CMS-855B Changes of Information, Stock Transfers, and Other Transactions

1. Referrals to State/RO

The following is a list of transactions that require a recommendation and referral to the state/RO:

- Addition of practice location
- Stock transfer
- Change in practice location or address in cases where a survey of the new site is required

In these situations, the Provider Enrollment, Chain and Ownership System (PECOS) record should not be switched to “approved” until the contractor receives notice from the RO that the latter has authorized the transaction. However, if the contractor knows that the particular state/RO in question typically does not review, approve, or deny this type of transaction, the contractor need not send the transaction to the state/RO for approval and shall instead follow the instructions in (B)(2) below.

(If the transaction is a stock transfer, the contractor need not send the transaction to the state/RO for approval (and shall instead follow the instructions in (B)(2) below) if the following three conditions are met:

1) The contractor is confident that the transaction is merely a transfer of stock and not a CHOW;

2) The RO in question (based on the contractor’s past experience with this RO) does not treat stock transfers as potential CHOWs, and

3) The contractor knows that the particular state/RO in question does not review, approve, or deny this type of transaction.

If any of these 3 conditions are not met, the contractor shall send the transaction to the state/RO for approval.)

RO approval for the transactions listed in (B)(1) may be furnished to the contractor via tie-in notice, letter, e-mail, fax, or even telephone; the contractor may accept any of
these formats.

If the RO (after receiving the transaction from the contractor for review) notifies the contractor that it does not normally review/approve/deny such transactions, the contractor may finalize the transaction (e.g., switch the PECOS record to “approved”).

2. Post-Approval RO Contact Required

Changes that do not mandate a recommendation to the state/RO but do require post-approval correspondence with the RO include:

- Deletions/voluntary terminations of practice locations or subunits
- Legal business name, tax identification number or “doing business as” name changes that do not involve a CHOW
- Address changes that do not require a survey of the new location
- The transactions (excluding stock transfers) described in (B)(1) for which the contractor knows that the state/RO does not issue approvals/denials
- Stock transfers for which the 3 conditions mentioned in (B)(1) are met.

For these transactions, the contractor shall: (1) notify the supplier via letter, fax, e-mail, or telephone that the change has been made, and (2) switch the PECOS record to “approved.” The contractor shall also notify the state and RO of the changed information (via any mechanism it chooses, including copying the state/RO on the notification letter or e-mail) no later than 10 calendar days after it has completed processing the transaction. The notice to the state/RO shall specify the type of information that is changing.

3. All Other Changes of Information

For all Form CMS-855B change requests not identified in (B)(1) or (B)(2) above, the contractor shall notify the supplier via letter, fax, e-mail, or telephone that the change has been made and shall switch the PECOS record to “approved.” The state and RO need not be notified of the change.

4. Revalidations, Reactivations and Complete CMS-855 Applications

In situations where the provider submits a: (1) Form CMS-855B reactivation, (2) Form CMS-855B revalidation, or (3) full Form CMS-855B as part of a change of information (i.e., the supplier has no enrollment record in PECOS), the contractor shall make a recommendation to the state/RO and switch the record to “approval recommended” only if the application contains new/changed data falling within one of the categories in (B)(1) above. For instance, if a revalidation application reveals a new practice location
that was never reported to CMS via the Form CMS-855B, the contractor shall make a recommendation to the state/RO and await the RO’s approval before switching the record to “approved.” In this situation, the contractor should forward the application to the state with a note explaining that the only matter the state/RO needs to consider is the new location.

If the application contains changed data falling within one of the categories in (B)(2) above, the contractor can switch the PECOS record to “approved.” The contractor shall also notify the state and RO of the changed information (via any mechanism it chooses, including copying the state/RO on the notification letter or e-mail) no later than 10 days after it has completed processing the transaction.

C. Supplier-Specific, Non-CMS-855 Changes

If the contractor receives a tie-in notice or approval letter for a transaction that concerns information not collected on the Form CMS-855B application, the contractor need not ask the supplier to submit a Form CMS-855B change of information.

D. Involuntary Termination Prompted by State/RO

If the contractor receives a tie-out notice from the RO that involuntarily terminates the supplier’s Medicare participation because the supplier no longer meets the conditions of coverage, the contractor need not send a letter to the supplier notifying it that its Medicare participation/enrollment has been terminated. The RO will issue such a letter and afford appeal rights.

The contractor shall adhere to the instructions in section 15.27.2 of this chapter with respect to revoking the supplier’s enrollment.

E. Other Procedures Related to Tie-In/Tie-Out Notices and Approval Letters

1. Receipt of Tie-In When Form CMS-855B Not Completed

If the contractor receives a tie-in notice or approval letter from the RO but the supplier never completed the necessary Form CMS-855B, the contractor shall have the supplier complete and submit said form. This applies to initial applications, CHOWs, practice location additions, etc., but does not apply to the cases described in subsection C above.

2. Delegation to State Agency

There may be instances when the RO delegates the task of issuing tie-in/tie-out notices or approval letters to the state agency. The contractor may accept such notices from the state in lieu of those from the RO. However, the contractor should first contact the applicable RO to confirm: (1) that the RO has delegated this function to the state, and (2) the specific transactions (e.g., CHOWs, site additions) for which this function has been delegated.
3. Review for Consistency

When the contractor receives a tie-in notice or approval letter from the RO, it shall review its contents to ensure that the data on the notice/letter matches that on the Form CMS-855B. If there are discrepancies (e.g., different legal business name, address), the contractor shall contact the applicable RO to determine why the data is different.

4. Creation of New Logging and Tracking (L & T) Record Unnecessary

The contractor is not required to create a new L & T record in PECOS when the tie-in notice or approval letter arrives, as the existing record should not be in a final status and can therefore be modified. Simply changing the L & T status is sufficient.

5. Supplier Inquiries

Once the contractor makes its recommendation for approval to the state/RO, any inquiry the contractor receives from the supplier regarding the status of its request for Medicare participation shall be referred to the state or RO.

6. Timeframes

So as not to keep the PECOS record in “approval recommended” status interminably, if the contractor does not receive notification of approval from the RO after what it deems to be an excessive amount of time, it may contact the RO to see if such approval is forthcoming.

15.7.8.5 – Reserved for Future Use
(Rev. 435, Issued: 10-19-12, Effective: 11-20-12, Implementation: 11-20-12)

15.7.8.6 - State Surveys and the Form CMS-855B
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

A. Delay in State Survey

In general, information on the Form CMS-855B is still considered valid notwithstanding a delay in the State survey. However, the supplier must submit an updated Form CMS-855B application to the contractor if:

- The contractor becomes aware of such a delay;
- The delay is the fault of the supplier; and
- At least 6 months have passed since the contractor sent its recommendation for approval to the State.
If these criteria are met, the contractor shall send a letter to the supplier requesting an updated Form CMS-855B. The application must contain, at a minimum, any information that is new or has changed since the recommendation for approval was made, as well as a newly-signed certification statement. If no information has changed, the supplier may instead submit: (1) a letter on its business letterhead stating as such, and (2) a newly-signed Form CMS-855B certification statement.

If the supplier fails to furnish the requested information within 60 calendar days, the contractor shall submit a revised letter to the State that recommends denial of the supplier’s application.

B. Future Effective Dates

If the contractor cannot enter an effective date into PECOS because the supplier, its practice location, etc., is not yet established, the contractor may use the authorized official’s date of signature as the temporary effective date. Once the provider and the effective date is established (e.g., the tie-in notice is received), the contractor shall change the effective date in PECOS.

15.7.9 – Indirect Payment Procedure
(Rev. 502, Issued: 01-17-14, Effective: 01-01-14, Implementation: 01-06-14)

Medicare Part B payment otherwise payable to an enrollee for the services of a physician or supplier who charges on a fee-for-service basis may be paid to an entity under the indirect payment procedure (IPP). Sections 15.7.9.1 through 15.7.9.7 below outline the IPP registration process.

15.7.9.1 – Indirect Payment Procedure - Background
(Rev. 502, Issued: 01-17-14, Effective: 01-01-14, Implementation: 01-06-14)

Per 42 CFR § 424.66(a), Medicare may pay an entity for Part B services furnished by a physician or other supplier if said entity meets all of the following requirements:

(1) Provides coverage of the service under a complementary health benefit plan (this is, the coverage that the plan provides is complementary to Medicare benefits and covers only the amount by which the Part B payment falls short of the approved charge for the service under the plan).

(2) Has paid the person who provided the service an amount (including the amount payable under the Medicare program) that the person accepts as full payment.

(3) Has the written authorization of the beneficiary (or of a person authorized to sign claims on his/her behalf under 42 CFR § 424.36) to receive the Part B payment for the services for which the entity pays.

(4) Relieves the beneficiary of liability for payment for the service and will not seek any
reimbursement from the beneficiary, his/her survivors, or estate.

(5) Submits any information that CMS or the contractor may request, including an itemized physician or supplier bill, in order to apply the requirements under the Medicare program.

(6) Identifies and excludes from its requests for payment all services for which Medicare is the secondary payer.

Entities that comply with § 424.66(a) and the registration procedures described in sections 15.7.9.1 through 15.7.9.7 of this chapter are hereinafter referred to as “IPP entities.” An IPP entity is not a “provider” or “supplier” as those terms are defined in § 400.202; moreover, an IPP entity does not meet the definition of a “health care provider” under 45 CFR § 160.103 and, as such, is not eligible for a National Provider Identifier (NPI). Indeed, an IPP entity does not furnish Medicare services. Rather, it is an entity that provides supplementary coverage in the circumstances described in § 424.66(a). To illustrate, suppose an IPP entity furnishes complementary coverage for its retired union members and is a retiree drug subsidy plan sponsor. The entity may seek to (1) pay in full its retired members' drug benefits and other Part B services, (2) bill the Part B services to Medicare, and (3) receive payment for Medicare claims. Assuming, again, that all requirements are met, entities that may utilize the IPP could include:

- Employers
- Unions
- Insurance companies
- Retirement homes
- Health care prepayment plans
- Health maintenance organizations
- Competitive medical plans
- Medicare Advantage plans

As stated, an IPP entity is not a Medicare provider or supplier. It therefore cannot enroll in the Medicare program. It is crucial, nonetheless, that Medicare obtain sufficient background information on prospective IPP entities to ensure the integrity, accuracy, and legitimacy of Medicare payments to said entities. Hence, CMS will apply the Form CMS-855 process to IPP entities consistent with our authority to request information under 42 CFR § 424.66(a)(5). For purposes of the IPP, this process is called IPP “registration,” rather than enrollment. An entity must satisfy the requirements described in 42 CFR § 424.66 and successfully complete the Form CMS-855 registration process before it can bill Medicare under the IPP. Naturally, an IPP entity’s status as a non-provider and non-supplier will result in procedures that differ in certain aspects from those associated with the enrollment of Medicare providers and suppliers.

15.7.9.2 - Submission of Registration Applications
A. Jurisdiction

An IPP entity’s registration application must be submitted to each Medicare claims administration contractor to which the IPP entity will be submitting claims. Claims for all Part B items and services – other than for durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) – must be submitted to the A/B Medicare Administrative Contractor (MAC) or carrier based on where the service was performed or the item was furnished. Almost all claims for DMEPOS must be submitted to the DME MAC based on where the beneficiary resides. However, claims for Medicare-covered implantable devices, although classified as DME, are submitted to the A/B MACs or carriers based on where the implant surgery was performed. These jurisdictional rules for claim submission apply to submission of registration applications. As such, the IPP entity must complete and submit:

1. Form CMS-855C and Form CMS-588 to each applicable A/B MAC to which the plan will be submitting its non-DMEPOS claims; and/or

2. Form CMS-855C and Form CMS-588 to the National Supplier Clearinghouse (NSC).

With respect to (1) – and consistent with section 15.5.4.2(D) of this chapter - the IPP entity need only submit one Form CMS-855C application and one Form CMS-588 per contractor jurisdiction.

B. Form Completion

The IPP entity:

1. Must use the paper version of the Form CMS-855 application.

2. Must – in light of its ineligibility for an NPI - apply for and receive either a Health Plan Identifier (HPID) or an Other Entity Identifier (OEID) in accordance with 45 CFR §162. This is to facilitate the entity’s submission of claims under the IPP. The entity must furnish its HPID or OEID in the appropriate place on the Form CMS-855. It shall also list the HPID or OEID on the Form CMS-855 and Form CMS-588 and furnish documentation evidencing the issuance of the number (e.g., a notice from the HPID or OEID issuer identifying the number).

3. Need not submit licensure or certification information.

4. Shall list its main business address (e.g., its headquarters) and resident agent address (if applicable) as practice locations.

5. Need not report medical record storage information.
(6) Need not pay an application fee (as it is not an “institutional provider” under 42 CFR §424.502), although it must receive payments via electronic funds transfer (EFT).

(7) Need not submit a Form CMS-460. Because §1842(h)(1) of the Social Security Act only permits “physicians and suppliers” to enter into participation agreements and because IPP entities do not meet the definition of a “supplier” at § 400.202, IPP entities cannot enter into a participation agreement (Form CMS-460) with Medicare. The IPP entity shall therefore be treated as “non-participating.”

(8) Need not meet the applicable (a) supplier standards, (b) accreditation requirements, (c) surety bond requirements, and (d) liability insurance requirements if the IPP entity is a DMEPOS supplier. (The NSC may need to relax certain edits in the Provider Enrollment, Chain and Ownership System (PECOS).) Moreover, the contractor need not perform a site visit.

(9) Meet the attestation requirements in subsection (C) below.

C. Attestation

1. Contents

The IPP entity must submit with each registration application a signed attestation statement certifying that for each claim it submits, all of the following requirements in 42 CFR §424.66 are met:

   (1) The entity provides coverage of the service under a complementary health benefit plan and covers only the amount by which the Part B payment falls short of the approved charge for the service under the plan.

   (2) The entity has paid the person (i.e., the physician or other supplier) who provided the service (including the amount payable under the Medicare program) an amount that the physician or other supplier accepts as full payment.

   (3) The entity has the written authorization of the beneficiary (or other person authorized to sign claims on the beneficiary’s behalf under 42 CFR §424.36) to receive the Part B payment for the services paid by the entity.

   (4) The entity relieves the beneficiary of liability for payment for the service and will not seek any reimbursement from the beneficiary, the beneficiary’s survivors, or the beneficiary’s estate.

   (5) The entity agrees to submit any information requested by CMS or by a Medicare contractor, including an itemized physician or supplier bill, in order to apply the requirements under the Medicare program.

   (6) The entity agrees to identify and exclude from its requests for payment all services for which Medicare is the secondary payer.
This attestation is necessary to help ensure that the entity is in compliance with the provisions of §424.66. As already stated, compliance with § 424.66 is a prerequisite for initial and continued registration as an IPP entity.

Since the IPP entity may be submitting applications in multiple jurisdictions, it is acceptable for the entity to submit a photocopy of a signed attestation rather than an originally signed attestation.

2. Signature

An “authorized official” - as that term is defined in 42 CFR §424.502 – must sign all attestations, though the same authorized official need not sign all attestations.

The certification statement on the Form CMS-855C supplements - and does not supplant - the attestation referred to above. The IPP entity is bound by the terms of the certification statement to the same extent as it is bound by the attestation’s terms.

15.7.9.3 – Processing of Registration Applications
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

A. Basic Requirements

Upon receipt of a Form CMS-855C registration application from an IPP entity, the contractor shall begin processing the application. This includes:

- Ensuring that the application is complete (see section D(1) below for additional information).

- Creating a logging & tracking (L & T) record and entering the IPP entity’s information in the Provider Enrollment, Chain and Ownership System (PECOS).

- Verifying the information on the application in accordance with (1) the “limited” category of screening (see section 15.19.2.1(A) of this chapter for more information), and (2) existing processing guidelines (e.g., reviewing all entities and individuals listed on the Form CMS-855 against the Medicare Exclusion Database and SAM.

- Ensuring that the attestation identified in section 15.7.9.2 above is submitted, signed by an authorized official, and contains the required language.

- As needed, asking the entity for additional or clarifying information using the procedures outlined in this chapter and other applicable CMS directives; this may include information – beyond the attestation itself – that is necessary to determine whether the entity is indeed in compliance with the provisions of 42 CFR §424.66.
• Assigning specialty code C2.

• Assigning a Provider Transaction Access Number (PTAN) (if the application is approved).

B. Prescreening

The contractor need not “prescreen” (as that term is described in section 15.7.1.1 of this chapter) the registration application.

C. Returns

Section 15.8.1 of this chapter outlines the reasons for which the contractor may immediately return a Form CMS-855C. If the contractor determines that one or more of these reasons applies, it shall return the registration application in accordance with the instructions outlined in that section.

D. Development Issues

If, in response to a development request, the IPP entity indicates that it is unable to furnish certain data elements because said elements do not apply to it, the contractor shall contact its CMS Provider Enrollment & Oversight Group Business Function Lead (PEOG BFL) for guidance.

E. Timeliness and Accuracy Standards

The timeliness and accuracy standards in sections 15.6.1.1.3, 15.6.1.2, 15.6.2.1, and 15.6.2.2 of this chapter apply to the processing of IPP initial applications and changes of information. Should the contractor exceed timeliness standards due to the requirements of sections 15.7.9.1 through 15.7.9.7, the contractor shall note the provider file in accordance with section 15.7.3 of this chapter.

F. HPID/OEID

The algorithm for the HPID/OEID is similar to that of the National Provider Identifier in that it will be 10 digits in length and will begin with either a “7” (HPID) or a “6” (OEID). The HPID/OEID will replace the placeholder NPI for IPP entities only.

15.7.9.4 – Disposition of Registration Applications
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

A. Approval

If the contractor determines that the IPP entity meets all necessary requirements, it shall send an e-mail to its CMS Provider Enrollment & Oversight Group Business Function Lead (PEOG BFL) that contains: (1) the entity’s legal business name, “doing business as”
name (if applicable) and HPID or OEID; (2) a draft approval letter patterned after the applicable model letter in section 15.7.9.7; and (3) any issues the contractor encountered in its review. The PEOG BFL will review the matter and advise the contractor as to how to proceed.

If PEOG authorizes the approval, the contractor shall (1) switch the Provider Enrollment, Chain and Ownership System (PECOS) record to “Approved,” (2) establish an effective date that is the date on which the contractor approved the application, (3) assign a Provider Transaction Access Number (PTAN) or National Supplier Clearinghouse number (as applicable), and (4) send the approval letter via regular mail or e-mail to the entity no later than 3 business days after the contractor received authorization of the approval from PEOG.

After the entity is registered, the contractor (consistent with § 424.66(a)(5)) may request additional information in order to confirm the entity’s continued compliance with 42 CFR §424.66.

B. Denial

If the contractor determines that the entity does not meet all necessary requirements, it shall send an e-mail to its PEOG BFL that contains: (1) the entity’s legal business name, “doing business as” name (if applicable), and HPID or OEID; (2) a draft denial letter patterned after the applicable model letter in section 15.7.9.7; and (3) the contractor’s rationale for proposing to deny the application. The PEOG BFL will review the matter and advise the contractor as to how to proceed.

Grounds for denial include, but are not limited to, the following:

(1) The entity does not comply with all applicable registration requirements.

(2) The entity does not satisfy all of the requirements described in 42 CFR §424.66. (The contractor can contact its PEOG BFL for assistance on this issue.)

(3) The entity or any of its 5 percent or greater direct or indirect owners, managing employees, corporate officers, or corporate directors - or any entity or individual with a general partnership interest or a 10 percent or greater limited partnership interest in the entity - is excluded or debarred per the Medicare Exclusion Database (MED) and the SAM.

If the contractor believes that any other ground for denial exists, it shall include this in its e-mail to its PEOG BFL.

If PEOG authorizes the denial, the contractor shall (1) switch the PECOS record to “Denied,” and (2) send the denial letter via certified mail to the entity no later than 3 business days after the contractor received authorization of the denial from PEOG.
As indicated in the model denial letter in section 15.7.9.7, an entity may appeal the denial of its IPP registration application. Although IPP entities are neither providers nor suppliers, the procedures in sections 15.25.2 through 15.25.2.3 of this chapter shall apply to IPP appeals.

C. Rejection

The Form CMS-855 shall be rejected if (1) the entity fails to furnish all required information on the form within 30 calendar days of the contractor’s request to do so, or (2) the entity fails to timely submit new or corrected information in the scenarios described in section 15.8.2 of this chapter. (This includes situations in which information was submitted, but could not be verified.) The basis for rejection shall be 42 CFR §424.525(a). The rejection letter shall follow the format of the applicable letter in section 15.7.9.7 and shall be sent via regular mail no later than 5 business days after the contractor determines that the application should be rejected.

Prior PEOG approval of the rejection is unnecessary. However, as stated earlier, if the entity indicates that it is unable to furnish certain data elements because said elements do not apply to it, the contractor shall contact its PEOG BFL for guidance.

15.7.9.5 – Revocation of Registration
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

If the contractor determines that the entity no longer meets all necessary requirements, it shall send an e-mail to its CMS Provider Enrollment & Oversight Group Business Function Lead (PEOG BFL) that contains: (1) the entity’s legal business name, “doing business as” name (if applicable), and HPID or OElID; (2) a draft revocation letter patterned after the applicable model letter in section 15.7.9.7 below; and (3) the contractor’s rationale for proposing to revoke the entity’s registration. The PEOG BFL will review the matter and advise the contractor as to how to proceed.

Grounds for revocation include, but are not limited to, the following:

(1) The entity no longer complies with all applicable registration requirements.

(2) The entity no longer appears to be in compliance with the provisions of 42 CFR §424.66. (The contractor can contact its PEOG BFL for assistance regarding grounds (1) and (2).)

(3) The entity has not complied with the terms of its signed Form CMS-855 certification statement (e.g., has not timely submitted an update to its registration information).

(4) The entity or any of its 5 percent or greater direct or indirect owners, managing employees, corporate officers, or corporate directors - or any entity or individual with a general partnership interest or a 10 percent or greater limited partnership interest in the
entity - is excluded or debarred per the Medicare Exclusion Database (MED) and/or the SAM.

If the contractor believes that any other ground for revocation exists, it shall include this in its e-mail to its PEOG BFL.

If PEOG authorizes the revocation, the contractor shall (1) switch the PECOS record to “Revoked,” and (2) send the revocation letter via certified mail to the entity no later than 5 business days after the contractor received authorization of the revocation from PEOG.

As indicated in the model revocation letter in section 15.7.9.7 below, an entity may appeal the revocation of its IPP registration. Although IPP entities are neither providers nor suppliers, the procedures in sections 15.25.2 through 15.25.2.3 of this chapter shall apply to IPP appeals.

15.7.9.6 – Changes of Information and Other Registration Transactions

A. Changes of Information

An IPP entity is required to submit changes to its Form CMS-855C information in accordance with the terms of its signed Form CMS-855C certification statement. The contractor shall process such changes in accordance with existing instructions.

B. Other Transactions

1. Deactivations – The contractor shall not deactivate an entity’s IPP registration for any reason unless CMS instructs the contractor to do so.

2. Voluntary Terminations – If an IPP entity submits a voluntary termination application, the contractor shall process it in accordance with existing instructions.

15.7.9.7 – Registration Letters
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

The contractor shall use the following letters when approving, denying, or rejecting an application, or when revoking an entity’s registration.

A. Approval

CMS alpha representation
Contractor

[Month Day & Year]
Dear [Entity name]:

We are pleased to inform you that your Medicare Form CMS-855C registration application as an Indirect Payment Procedure (IPP) entity has been approved. Listed below is the information reflected in your Medicare Form CMS-855C record, including your Provider Transaction Access Number (PTAN).

For more information on how to bill Medicare, please contact our XXXXXXXXX department at [insert phone number].

Your PTAN is also activated for use and will be the required authentication element for all inquiries to customer service representatives (CSRs), written inquiry units and the interactive voice response (IVR) system for inquiries concerning claims status, beneficiary eligibility and to check status or other related transactions. Please keep your PTAN secure.

Medicare Information

<table>
<thead>
<tr>
<th>Entity name:</th>
<th>[Insert name]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business address:</td>
<td>[Insert address]</td>
</tr>
<tr>
<td>PTAN:</td>
<td>[Insert PTAN]</td>
</tr>
<tr>
<td>Status:</td>
<td>IPP Entity</td>
</tr>
</tbody>
</table>

Please verify the accuracy of this information. If you disagree with this initial determination or have any questions regarding the information above, call [insert applicable Medicare contractor name] at [insert Medicare contractor phone number] between the hours of [insert hours of operation].

Consistent with 42 CFR §424.516, you must submit updates and changes to your Form CMS-855C information in accordance with specified timeframes. Reportable changes include, but are not limited to, changes in: (1) legal business name (LBN)/tax identification number (TIN), (2) business address, and (3) payment information (such as changes in electronic funds transfer information). To download the CMS-855 applications, go to http://www.cms.hhs.gov/MedicareProviderSupEnroll.

Additional information about the Medicare program, including billing, fee schedules, and Medicare policies and regulations can be found at our Web site at [insert Web site address] or the Centers for Medicare & Medicaid Services’ (CMS) Web site at http://www.cms.hhs.gov/home/medicare.asp.

Sincerely,
We have received and reviewed your Form CMS-855C registration application as an Indirect Payment Procedure (IPP) entity. Your application is denied. We have determined that you do not meet the conditions necessary to bill Medicare as an IPP entity.

FACTS: [Insert ALL the reason(s) for denial and cite the applicable regulatory authority]

(Repeat for multiple, if necessary)

If you believe that you are able to correct the deficiencies and establish your eligibility to bill Medicare as an IPP entity, you may submit a corrective action plan (CAP) within 30 calendar days after the postmark date of this letter. The CAP should provide evidence that you are in compliance with the necessary registration requirements and must be signed and dated by an authorized official of the entity. CAP requests should be sent to:

Centers for Medicare & Medicaid Services
Provider Enrollment & Oversight Group
Mail Stop AR-18-50
7500 Security Boulevard
Baltimore, MD 21244-1850

If you believe that this determination is not correct, you may request a reconsideration
before a contractor hearing officer. The reconsideration is an independent review and will be conducted by a person who was not involved in the initial determination. You must request the reconsideration in writing to the office listed below within 60 calendar days of the postmark date of this letter. The request for reconsideration must state the issues, or the findings of fact with which you disagree and the reasons for disagreement. You may submit additional information with the reconsideration request that you believe may have a bearing on the decision. The reconsideration request must be signed and dated by an authorized official of the entity. Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review. [The following statement should only be used if the denial involves exclusions or sanction: You may not appeal through this process the merits of any exclusion by another Federal agency. Any further permissible administrative appeal involving the merits of such exclusion must be filed with the Federal agency that took the action]. The request for reconsideration should be sent to:

Centers for Medicare & Medicaid Services  
Provider Enrollment & Oversight Group  
Mail Stop AR-18-50  
7500 Security Boulevard  
Baltimore, MD 21244-1850

If you have any questions regarding this letter, please call [phone number] between the hours of [insert office hours].

Sincerely,

[Your Name]  
[Title]

C. Rejection

CMS alpha representation  
Contractor  

[Month Day & Year]

[Entity Name]  
[Address]  
[City, State & ZIP Code]

Dear [Entity name]:

We received your Medicare Form CMS-855C registration application on [insert date].
We are rejecting your application and returning it to you for the following reason(s):

FACTS: [Insert ALL rejection reason(s) and cite the applicable regulatory authority]

(Repeat for multiple, if necessary)

Consistent with 42 CFR §424.525, prospective Indirect Payment Procedure (IPP) entities are required to submit a complete registration application and all necessary supporting documentation within 30 calendar days from the date of the contractor’s request for missing/incomplete/clarifying information. If you would like to resubmit your registration application, please make sure to address the issues stated above and to sign and date the new certification statement page on your resubmitted application.

To submit a new registration application, you may download and complete the application from the Centers for Medicare & Medicaid Services (CMS) Web site at http://www.cms.hhs.gov/MedicareProviderSupEnroll.

You should return the complete application to the address listed below:

[Insert contact address]

If you have any questions regarding this letter, please call [phone number] between the hours of [insert office hours].

Sincerely,

[Your Name]
[Title]

D. Revocation

CMS alpha representation
Contractor

[Month Day & Year]

[Entity name]
[Address]
[City, State & ZIP Code]

[RE:  ]

Dear [Entity name]:

This is to inform you that your Medicare registration as an Indirect Payment Procedure
(IPP) entity is being revoked effective [insert effective date of revocation].

FACTS: [Insert ALL reason(s) for revocation and cite the applicable regulatory authority]

If you believe that you are able to correct the deficiencies and re-establish your eligibility to be registered as an IPP entity, you may submit a corrective action plan (CAP) within 30 calendar days after the postmark date of this letter. The CAP should provide evidence that you are in compliance with all registration requirements. The CAP request must be signed and dated by an authorized official of the entity. CAP requests should be sent to:

Centers for Medicare & Medicaid Services
Provider Enrollment & Oversight Group
7500 Security Blvd.
Mailstop: AR-18-50
Baltimore, MD 21244-1850

If you believe that this determination is not correct, you may request a reconsideration before a contractor hearing officer. The reconsideration is an independent review and will be conducted by a person who was not involved in the initial determination. You must request the reconsideration in writing to the office listed below within 60 calendar days of the postmark date of this letter. The request for reconsideration must state the issues, or the findings of fact with which you disagree and the reasons for disagreement. You may submit additional information with the reconsideration request that you believe may have a bearing on the decision. The reconsideration request must be signed and dated by an authorized official of the entity. Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review. [The following statement should only be used if the revocation involves exclusions or sanction: You may not appeal through this process the merits of any exclusion by another Federal agency. Any further permissible administrative appeal involving the merits of such exclusion must be filed with the Federal agency that took the action.]

The request for reconsideration should be sent to:

Centers for Medicare & Medicaid Services
Provider Enrollment & Oversight Group
7500 Security Blvd.
Mailstop: AR-18-50
Baltimore, MD 21244-1850

Consistent with 42 CFR §424.535(c), [insert contractor name] is establishing a re-registration bar for a period of [insert amount of time]. This bar only applies to your registration in the Medicare program. In order to re-register, you must meet all registration requirements.

If you have any questions regarding this determination, please contact [insert contact
Sincerely,

[Your Name]
[Title]

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

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 PXRS, 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 to be returned per the instructions in section 15.7.7.1.4 of this chapter.

• The application is not needed for the transaction in question. Two common examples include:
  
  o 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.
  
  o 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.
C. Other Impacts of a Return

1. Changes of Information and Changes of Ownership (CHOWs)

a. Expiration of Timeframe for Reporting Changes - If the contractor returns a change of information or CHOW submission per this section 15.8.1 and the applicable 90-day or 30-day period for reporting the change has expired, the contractor shall send an e-mail to its CMS Provider Enrollment & Oversight Group Business Function Lead (PEOG BFL) notifying him or her of the return. PEOG will determine whether the provider’s Medicare billing privileges should be deactivated under 42 CFR § 424.540(a)(2) or revoked under 42 CFR § 424.535(a)(1) or (a)(9) and will notify the contractor of its decision.

b. Timeframe Not Yet Expired - If the contractor returns a change of information or CHOW submission and the applicable 90-day or 30-day period for reporting the change has not yet expired, the contractor shall send the e-mail referred to in (1)(a) above after the expiration of said time period unless the provider has resubmitted the change request/CHOW.

c. Second Return, Rejection, or Denial – If, per (1)(b), the provider resubmits the change of information or CHOW application and the contractor either returns it again, rejects it per section 15.8.2 of this chapter, or denies it, the contractor shall send the e-mail referred to in (1)(a) above regardless of whether the applicable timeframe has expired. PEOG will determine whether the provider’s Medicare billing privileges should be deactivated under 42 CFR § 424.540(a)(2) or revoked under 42 CFR § 424.535(a)(1) or (a)(9) and will notify the contractor of its decision.

2. Reactivations – If the contractor returns a reactivation application, the provider’s Medicare billing privileges shall remain deactivated.

3. Revalidations – If the contractor returns a revalidation application per this section 15.8.1, the contractor shall – unless an existing CMS instruction or directive dictates otherwise - deactivate the provider’s Medicare billing privileges under 42 CFR §424.535(a)(1) if the applicable time period for submitting the revalidation application has expired. If it has not expired, the contractor shall deactivate the provider’s billing privileges after the applicable time period expires unless the provider has resubmitted the revalidation application. If the provider has resubmitted the application and the contractor (1) returns it again, (2) rejects it per section 15.8.2 of this chapter, or (3) denies it, the contractor shall - unless an existing CMS instruction or directive dictates otherwise – deactivate the provider’s billing privileges, assuming the applicable time period has expired.

15.8.2 –Rejections
(Rev. 474, Issued: 07-05-13, Effective: 10-08-13, Implementation: 10-08-13)
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: (a) is unsigned; (b) is undated; (c) contains a copied or stamped signature; (d) was signed (as reflected by the date of signature) more than 120 days prior to the date on which the contractor received the application); or (e) 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. Other Impacts of a Rejection**

1. **Changes of Information and Changes of Ownership (CHOWs)**

   a. Expiration of Timeframe for Reporting Changes - If the contractor rejects a change of information or CHOW submission per this section 15.8.2 and the applicable 90-day or 30-day period for reporting the change has expired, the contractor shall send an e-mail to its Provider Enrollment Operations Group Business Function Lead (PEOG BFL) notifying him or her of the rejection. PEOG will determine whether the provider’s Medicare billing privileges should be deactivated under 42 CFR §424.540(a)(2) or revoked under 42 CFR §424.535(a)(1) or (a)(9) and will notify the contractor of its decision.

   b. Timeframe Not Yet Expired - If the contractor rejects a change of information or
CHOW submission and the applicable 90-day or 30-day period for reporting the change has not yet expired, the contractor shall send the e-mail referred to in (1)(a) above after the expiration of said time period unless the provider has resubmitted the change request/CHOW.

c. Second Rejection, Return, or Denial – If, per (1)(b), the provider resubmits the change of information or CHOW application and the contractor either rejects it again, returns it per section 15.8.1 of this chapter, or denies it, the contractor shall send the e-mail referred to in (1)(a) above regardless of whether the applicable timeframe has expired. PEOG will determine whether the provider’s Medicare billing privileges should be deactivated under 42 CFR §424.540(a)(2) or revoked under 42 CFR §424.535(a)(1) or (a)(9) and will notify the contractor of its decision.

2. Reactivations – If the contractor rejects a reactivation application, the provider’s Medicare billing privileges shall remain deactivated.

3. Revalidations – If the contractor rejects a revalidation application per this section 15.8.1, the contractor shall – unless an existing CMS instruction or directive dictates otherwise - deactivate the provider’s Medicare billing privileges under 42 CFR §424.535(a)(1) if the applicable time period for submitting the revalidation application has expired. If it has not expired, the contractor shall deactivate the provider’s billing privileges after the applicable time period expires unless the provider has resubmitted the revalidation application. If the provider has resubmitted the application and the contractor (1) rejects it again, (2) returns it per section 15.8.1 of this chapter, or (3) denies it, the contractor shall - unless an existing CMS instruction or directive dictates otherwise – deactivate the provider’s billing privileges, assuming the applicable time period has expired.

F. 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. Absent a CMS instruction or directive to the contrary, the letter shall be sent to the provider or supplier no later than 5 business days after the contractor concludes that the provider or supplier’s application should be rejected.

5. **Copy of Application** – If the contractor rejects an application, it shall either (1) keep the original application and all supporting documents, or (2) make a copy or scan of the application and documents and return the originals to the provider. If the contractor chooses the former approach and the provider requests a copy of its application, the contractor may fax or mail it to the provider.

15.8.3 – Reserved for Future Use
(Rev. 356, Issued: 09-24-10, Effective: 10-26-10, Implementation: 10-26-10)

15.8.4 – Denials
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

A. **Denial Reasons**

When issuing a denial, the contractor shall insert the appropriate regulatory basis (e.g., 42 CFR § 424.530(a)(1)) into its denial letter. The contractor shall not use provisions from this chapter 15 as the basis for denial. Except as described in section 15.8.4(B) below or as otherwise stated in this chapter, the contractor may issue a denial letter without prior approval from CMS’ Provider Enrollment & Oversight Group (PEOG) of the denial or the denial letter.

If the applicant is a certified provider or certified supplier and one of the denial reasons listed below is implicated, the contractor need not submit a recommendation for denial to the state/RO. The contractor can simply: (1) deny the application, (2) close out the PECOS record, and (3) send a denial letter to the provider. The contractor shall copy the state and the RO on said letter.

**Denial Reason 1 (42 CFR §424.530(a)(1)) – Not in Compliance with Medicare Requirements**

The provider or supplier is determined not to be in compliance with the enrollment requirements in subpart P (of Part 424) or on the enrollment application applicable to its provider or supplier type, and has not submitted a plan of corrective action as outlined in 42 CFR part 488. Such non-compliance includes, but is not limited to, the following situations:

a. The provider or supplier does not have a physical business address or mobile unit where services can be rendered.

b. The provider or supplier does not have a place where patient records are stored to determine the amounts due such provider or other person.
c. The provider or supplier is not appropriately licensed.

d. The provider or supplier is not authorized by the federal/state/local government to perform the services that it intends to render.

e. The provider or supplier does not meet CMS regulatory requirements for the specialty that it seeks to enroll as. (See section 15.4.8 of this chapter for examples of suppliers that are not eligible to participate.)

f. The provider or supplier does not have a valid social security number (SSN) or employer identification number (EIN) for itself, an owner, partner, managing organization/employee, officer, director, medical director, and/or authorized or delegated official.

g. The applicant does not qualify as a provider of services or a supplier of medical and health services. (For instance, the applicant is not recognized by any Federal statute as a Medicare provider or supplier (e.g., marriage counselors.) An entity seeking Medicare payment must be able to receive reassigned benefits from physicians in accordance with the Medicare reassignment provisions in § 1842(b)(6) of the Act (42 U.S.C. 1395u(b)).

h. The provider or supplier does not otherwise meet general enrollment requirements.

With respect to (e) above – and, as applicable, (c) and (d) - the contractor’s denial letter shall cite the appropriate statutory and/or regulatory citation(s) containing the specific licensure/certification/authorization requirement(s) for that provider or supplier type. For a listing of some of these statutes and regulations, refer to section 15.4 et seq. of this chapter.

NOTE: The contractor must identify in its denial letter the exact provision within said statute(s)/regulation(s) that the provider/supplier is not in compliance with.

Denial Reason 2 (42 CFR §424.530(a)(2)) – Excluded/Debarred from Federal Program

The provider or supplier, or any owner, managing employee, authorized or delegated official, medical director, supervising physician, or other health care personnel of the provider or supplier who is required to be reported on the CMS-855 is—

• Excluded from Medicare, Medicaid, or any other Federal health care program, as defined in 42 CFR §1001.2, in accordance with section 1128, 1128A, 1156, 1842, 1862, 1867 or 1892 of the Social Security Act, or

• Debarred, suspended, or otherwise excluded from participating in any other Federal procurement or non-procurement program or activity in accordance with section 2455 of the Federal Acquisition Streamlining Act.
Denial Reason 3 (42 CFR §424.530(a)(3)) – Felony Conviction

The provider, supplier, or any owner or managing employee of the provider or supplier was, within the preceding 10 years, convicted (as that term is defined in 42 CFR §1001.2) of a federal or state felony offense that CMS determines to be detrimental to the best interests of the Medicare program and its beneficiaries. Offenses include, but are not limited in scope and severity to:

- Felony crimes against persons, such as murder, rape, assault, and other similar crimes for which the individual was convicted, including guilty pleas and adjudicated pretrial diversions.

- Financial crimes, such as extortion, embezzlement, income tax evasion, insurance fraud and other similar crimes for which the individual was convicted, including guilty pleas and adjudicated pretrial diversions.

- Any felony that placed the Medicare program or its beneficiaries at immediate risk, such as a malpractice suit that results in a conviction of criminal neglect or misconduct.

- Any felonies outlined in section 1128 of the Social Security Act.

While, as discussed in section 15.27.2(D) of this chapter, a re-enrollment bar will be established for providers and suppliers whose billing privileges are revoked, this does not preclude the contractor from denying re-enrollment to a provider or supplier that was convicted of a felony within the preceding 10-year period or that otherwise does not meet all of the criteria necessary to enroll in Medicare.

If the contractor is uncertain as to whether a particular felony falls within the purview of 42 CFR §424.530(a)(3), it should contact PEOG via the MACRevocationRequests@cms.hhs.gov mailbox for guidance.

Denial Reason 4 (42 CFR §424.530(a)(4)) – False or Misleading Information on Application

The provider or supplier submitted false or misleading information on the enrollment application to gain enrollment in the Medicare program.

Denial Reason 5 (42 CFR §424.530(a)(5)) – On-Site Review/Other Reliable Evidence that Requirements Not Met

Upon on-site review or other reliable evidence, CMS determines that the provider or supplier:
(i) Is not operational to furnish Medicare-covered items or services; or

(ii) Otherwise fails to satisfy any Medicare enrollment requirement.

Denial Reason 6 (42 CFR §424.530(a)(6)) – Existing Overpayment at Time of Application

(i) The enrolling provider, supplier, or owner (as defined in § 424.502) thereof has an existing Medicare debt.

(ii) The enrolling provider, supplier, or owner (as defined in §424.502) thereof was previously the owner of a provider or supplier that had a Medicare debt that existed when the latter's enrollment was voluntarily terminated, involuntarily terminated, or revoked, and all of the following criteria are met:

   (A) The owner left the provider or supplier with the Medicare debt within 1 year before or after that provider or supplier's voluntary termination, involuntary termination or revocation.

   (B) The Medicare debt has not been fully repaid.

   (C) CMS determines that the uncollected debt poses an undue risk of fraud, waste, or abuse.

In making this determination under §424.530(a)(6)(ii), CMS considers the following factors:

   (1) The amount of the Medicare debt.

   (2) The length and timeframe that the enrolling provider, supplier, or owner thereof was an owner of the prior entity.

   (3) The percentage of the enrolling provider, supplier, or owner's ownership of the prior entity.

   (4) Whether the Medicare debt is currently being appealed.

   (5) Whether the enrolling provider, supplier, or owner thereof was an owner of the prior entity at the time the Medicare debt was incurred.

A denial of Medicare enrollment under paragraph (a)(6) can be avoided if the enrolling provider, supplier or owner thereof does either of the following:

   (A) Satisfies the criteria set forth in § 401.607 and agrees to a CMS-approved extended repayment schedule for the entire outstanding Medicare debt; or
(B) Repays the debt in full.

**Denial Reason 7 (42 CFR §424.530(a)(7)) – Medicare Payment Suspension**

The current owner (as defined in §424.502), physician or non-physician practitioner has been placed under a Medicare payment suspension as defined in §405.370 through §405.372.

**Denial Reason 8 (42 CFR §424.530(a)(8)) – Home Health Agency (HHA) Capitalization**

An HHA submitting an initial application for enrollment:

- Cannot, within 30 days of a CMS or Medicare contractor request, furnish supporting documentation verifying that the HHA meets the initial reserve operating funds requirement in 42 CFR §489.28(a); or

- Fails to satisfy the initial reserve operating funds requirement in 42 CFR §489.28(a).

**Denial Reason 9 (42 CFR §424.530(a)(9)) – Hardship Exception Denial and Fee Not Paid**

The institutional provider’s (as that term is defined in 42 CFR §424.502) hardship exception request is not granted, and the institutional provider does not submit the required application fee within 30 days of notification that the hardship exception request was not approved.

(This denial reason should only be used when the institutional provider fails to submit the application fee after its hardship request was denied. The contractor shall use 42 CFR §424.530(a)(1) as a basis for denial when the institutional provider:

- Does not submit a hardship exception request and fails to submit the application fee within the prescribed timeframes, or

- Submits the fee, but it cannot be deposited into a government-owned account.)

**Denial Reason 10 (42 CFR §424.530(a)(10)) – Temporary Moratorium**

The provider or supplier submits an enrollment application for a practice location in a geographic area where CMS has imposed a temporary moratorium. (This denial reason applies to initial enrollment applications and practice location additions.)

**Denial Reason 11 (42 CFR §424.530(a)(11)) – DEA Certificate/State Prescribing Authority Suspension or Revocation**
A physician or eligible professional's Drug Enforcement Administration (DEA) Certificate of Registration to dispense a controlled substance is currently suspended or revoked; or

(ii) The applicable licensing or administrative body for any State in which a physician or eligible professional practices has suspended or revoked the physician or eligible professional's ability to prescribe drugs, and such suspension or revocation is in effect on the date the physician or eligible professional submits his or her enrollment application to the Medicare contractor.

B. Denial Letters

1. Prior PEOG Approval Necessary

For cases involving §424.530(a)(4) (Denial Reason 4 above), the contractor shall obtain approval of both the denial and the denial letter from PEOG via the MACRevocationRequests@cms.hhs.gov mailbox prior to sending the denial letter. PEOG will notify the contractor of its determinations and instruct the contractor as to how to proceed.

2. Prior PEOG Approval Unnecessary

When a decision to deny is made, the contractor shall send a letter to the provider identifying the reason(s) for denial and furnishing appeal rights. The letter shall follow the format of those shown in section 15.24 et seq. of this chapter. Absent a CMS instruction or directive to the contrary, the letter shall be sent to the provider or supplier no later than 5 business days after the contractor concludes that the provider or supplier’s application should be denied.

No reenrollment bar is established for denied applications. Reenrollment bars apply only to revocations.

C. Post-Denial Submission of Enrollment Application

A provider or supplier that is denied enrollment in the Medicare program may not submit a new enrollment application until either of the following has occurred:

- If the denial was not appealed, the provider or supplier’s appeal rights have lapsed, or

- If the denial was appealed, the provider or supplier has received notification that the determination was upheld.

D. 30-Day Effective Date of Denial

A denial is effective 30 calendar days after the contractor sends its denial notice to the
As stated in 42 CFR §424.530(c), if the denial was due to adverse activity (e.g., exclusion, felony) of an owner, managing employee, an authorized or delegated official, medical director, supervising physician, or other health care personnel of the provider or supplier furnishing Medicare services, the denial may be reversed if the provider or supplier submits proof that it has terminated its business relationship with that individual or organization within 30 days of the denial notification.

E. Other Impacts of a Denial

1. Changes of Information and Changes of Ownership (CHOWs)

a. Expiration of Timeframe for Reporting Changes - If the contractor denies a change of information or CHOW submission per this section 15.8.4 and the applicable 90-day or 30-day period for reporting the change has expired, the contractor shall send an e-mail to the MACRevocationRequests@cms.hhs.gov mailbox notifying PEOG of the denial. PEOG will determine whether the provider’s Medicare billing privileges should be deactivated under 42 CFR §424.540(a)(2) or revoked under 42 CFR §424.535(a)(1) or (a)(9) and will notify the contractor of its decision.

b. Timeframe Not Yet Expired - If the contractor denies a change of information or CHOW submission and the applicable 90-day or 30-day period for reporting the change has not yet expired, the contractor shall send the e-mail referred to in (1)(a) above after the expiration of said time period unless the provider has resubmitted the change request/CHOW.

c. Second Denial, Return, or Denial – If, per (1)(b), the provider resubmits the change of information or CHOW application and the contractor either denies it again, returns it per section 15.8.1 of this chapter, or rejects it per section 15.8.2 of this chapter, the contractor shall send the e-mail referred to in (1)(a) above regardless of whether the applicable timeframe has expired. PEOG will determine whether the provider’s Medicare billing privileges should be deactivated under 42 CFR §424.540(a)(2) or revoked under 42 CFR §424.535(a)(1) or (a)(9) and will notify the contractor of its decision.

2. Reactivations – If the contractor denies a reactivation application, the provider’s Medicare billing privileges shall remain deactivated.

3. Revalidations – If the contractor denies a revalidation application per this section 15.8.4, the contractor shall – unless an existing CMS instruction or directive dictates otherwise - revoke the provider’s Medicare billing privileges under 42 CFR §424.535(a)(1) if the applicable time period for submitting the revalidation application has expired. If it has not expired, the contractor shall revoke the provider’s billing privileges after the applicable time period expires unless the provider has resubmitted the revalidation application. If the provider has resubmitted the application and the contractor (1) denies it again, (2) returns it per section 15.8.1 of this chapter, or (3)
rejects it per section 15.8.2 of this chapter, the contractor shall - unless an existing CMS instruction or directive dictates otherwise – revoke the provider’s billing privileges, assuming the applicable time period has expired.

F. Provider Enrollment Appeals Process

For more information regarding the provider enrollment appeals process, see section 15.25 of this chapter.

15.9 – Application Approvals
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)

15.9.1 - Non-Certified Suppliers and Individual Practitioners
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

(This section does not apply to ambulatory surgical centers, portable x-ray suppliers, or providers and suppliers that complete the Form CMS-855A.)

If the contractor approves a supplier’s enrollment, it shall notify the applicant via letter of the approval. The letter shall:

- Follow the content and format of the model letter in section 15.24.7 of this chapter;
- Include the National Provider Identifier (NPI) with which the supplier will bill Medicare and the Provider Transaction Access Number (PTAN) that has been assigned to the supplier as an identifier for inquiries.
- Provide instructions on how suppliers should use the assigned PTAN when they use the contractor interactive voice response (IVR) system for inquiries concerning claims status, beneficiary eligibility, check status or other supplier-related IVR transactions.
- Include language reminding suppliers to update their NPPES record whenever their information changes.

Absent a CMS instruction or directive to the contrary, the contractor shall send the approval letter within 5 business days of approving the enrollment application in PECOS. For all applications other than the Form CMS-855S, the letter shall be sent to the supplier’s contact person if one is listed; otherwise, the contractor may send the letter to the supplier at the supplier’s correspondence address or special payment address.

For claims submitted by physicians and non-physicians prior to the date of enrollment, the contractor shall follow the instructions in Pub. 100-04, chapter 1, section 70, with respect to the claim filing limit. Payments cannot be made for services furnished prior
to the date the applicant is appropriately licensed.

15.9.2 - Certified Providers and Certified Suppliers
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

(This section only applies to: (1) initial Form CMS-855A applications or change of ownership (CHOW), acquisition/merger, or consolidation applications submitted by the new owner; and (2) initial ambulatory surgical center and portable x-ray supplier applications.)

If the contractor decides to recommend approval of the provider or supplier’s application, the contractor shall send a recommendation letter to the applicable State agency, with a copy to the Regional Office’s (RO) survey and certification unit. (For those provider/supplier types that do not require a State survey, such as federally qualified health centers, the letter can be sent directly to the RO.) The recommendation letter shall, at a minimum, contain the following information:

- Supplier/Provider NPI Number
- CMS Certification Number (if available)
- Type of enrollment transaction (CHOW, initial enrollment, branch addition, etc.)
- Contractor number
- Contractor contact name
- Contractor contact phone number
- Date application recommended for approval (and, for FQHCs, the date that the package is complete)
- An explanation of any special circumstances, findings, or other information that either the State or the RO should know about.
- Any other information that, under this chapter 15, must be included in the recommendation letter.

The letter can be sent to the State/RO via mail, fax, or e-mail.

The contractor shall also:

- Send either a photocopy (not the original), faxed version, or e-mail version of the final completed Form CMS-855 to the State agency or RO (as applicable), along with all updated Form CMS-855 pages, explanatory data, documentation,
correspondence, final sales agreements, etc. (which can also be sent via mail, fax, or e-mail). If the CMS-855, associated documentation, and recommendation letter are mailed, they should be included in the same package.

The contractor shall not send a copy of the Form CMS-855 to the RO unless the latter specifically requests it or if the transaction in question is one for which State involvement is unnecessary.

- Notify the applicant that the contractor has completed its initial review of the application. The notification can be furnished via e-mail, or via the letter identified in section 15.24.6 of this chapter (which may be sent to the applicant’s contact person), and shall advise the applicant of the next steps in the enrollment process (e.g., site visit, survey). The contractor may, but is not required to, send a copy of its recommendation letter to the provider as a means of satisfying this requirement. However, the contractor should not send a copy to the provider if the recommendation letter contains sensitive information.

- Inform initial applicants (including new owners that have rejected assignment of the provider’s or supplier’s provider agreement) that Medicare billing privileges will not begin before the date the survey and certification process has been completed and all Federal requirements have been met.

- Notify the applicant of the phone numbers and e-mail addresses of the applicable State agency and RO that will be handling the survey and certification process; the applicant shall also be instructed that all questions related to this process shall be directed to the State agency and/or RO.

15.9.3 - Approval of Suppliers of Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS)
(Rev. 424, Issued: 06-13-12, Effective: 06-19-12, Implementation: 06-19-12)

As stated in 42 CFR §424.57(b), a DMEPOS supplier must, among other things, meet the following conditions to be eligible to receive payment for a Medicare-covered item:

- The supplier has submitted a complete Form CMS-855S, including all supporting documentation, to the National Supplier Clearinghouse (NSC); and

- The item was furnished on or after the date the NSC issued to the supplier a DMEPOS supplier number conveying Medicare billing privileges.

The date identified in the previous bullet represents the “date of approval.”

15.10 – Changes of Information and Voluntary Terminations
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)

Unless indicated otherwise, the instructions in sections 15.10.1 through 15.10.3 of this
chapter apply to Part A and Part B enrollments.

15.10.1 – Changes of Information - General Procedures
(Rev. 462, Issued: 05-16-13 Effective: 03-18-13, Implementation: 03-18-13)

Unless otherwise specified in this chapter or another CMS directive, if an enrolled provider is adding, deleting, or changing information under its existing tax identification number, it must report the change using the applicable Form CMS-855. Letterhead is not permitted.

The provider shall (1) furnish the changed data in the applicable section(s) of the form, and (2) sign and date the certification statement. In accordance with 42 CFR §424.516(d) and (e), the timeframes for providers to report changes to their Form CMS-855 information are as follows:

A. Physicians, physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists, certified nurse-midwives; clinical social workers; clinical psychologists; registered dietitians or nutrition professionals; and organizations (e.g., group practices) consisting of any of the categories of individuals identified in this paragraph.): The following changes must be reported within 30 days:

- A change of ownership
- A final adverse action
- A change in practice location

All other informational changes involving the providers listed in this section 15.10.1(A) must be reported within 90 days.

B. All providers and suppliers other than (1) those listed in section 15.10.1(A); (2) suppliers of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS); and (3) independent diagnostic testing facilities (IDTFs): Any change of ownership, including a change in an authorized or delegated official, must be reported within 30 days. All other informational changes involving the providers listed in this section 15.10.1(B) must be reported within 90 days.

The reporting requirements for IDTFs can be found in 42 CFR §410.33(g)(2) and in section 15.5.19.1(A)(2) of this chapter. Reporting requirements for DMEPOS suppliers can be found in 42 CFR §424.57(c)(2)).

In addition:

- Unsolicited Additional Information - Any new or changed information that a provider submits prior to the date the contractor finishes processing a previously submitted change request is no longer considered to be an update to that change request. Rather, it is considered to be and shall be processed as a separate change request. The contractor may process both changes simultaneously, but the change that was submitted
first shall be processed to completion prior to the second one being processed to completion.

- **Unavoidable Phone Number or Address Changes** – Unless CMS specifies otherwise, any change in the provider’s phone number or address that the provider did not cause (i.e., area code change, municipality renames the provider’s street) must still be updated via the Form CMS-855.

- **Application Signatures** - If the signer has never been reported in section 6 of the Form CMS-855, section 6 must be completed in full with information about the individual. (This policy applies regardless of whether the provider already has a Form CMS-855 on file.) The contractor shall ensure that all validation required to be performed with respect to the individual is conducted.

- **Notifications** – For changes of information that do not require Regional Office approval (e.g., Form CMS-855I changes; Form CMS-855B changes not involving ambulatory surgical centers or portable x-ray suppliers; minor Form CMS-855A changes), the contractor shall (1) furnish written, e-mail, or telephonic confirmation to the provider that the change has been made, and (2) document (per section 15.7.3 of this chapter) in the file the date and time the confirmation was made. If, however, the transaction only involves an area code/ZIP Code change, it is not necessary to send confirmation to the provider that the change has been processed.

15.10.1.1 – Changes of Information and Complete Form CMS-855 Applications

(Rev. 525, Issued: 06-27-14, Effective: 07-29-14, Implementation; 07-29-14)

A provider must submit a complete Form CMS-855 application if it (1) submits any change request, and (2) does not have an established enrollment record in the Provider Enrollment, Chain and Ownership System (PECOS). (For purposes of this requirement, the term “change request” includes electronic funds transfer (EFT) changes.) It is immaterial (1) whether the provider or another party (e.g., local government changes street name) was responsible for triggering the changed data; or (2) the signer of the change request or EFT form already has a signature on file with the contractor.

If the contractor receives a change request from a provider that is not in PECOS, the contractor shall develop for the entire application in accordance with the procedures described in this chapter (i.e., the contractor shall treat the transaction as a request for additional information). Consistent with existing policies for requesting additional data, the provider has 30 calendar days from the date of the contractor’s request to furnish a complete Form CMS-855. During this period, the contractor should “hold” (i.e., not process) the change request until the entire application arrives; no logging and tracking (L & T) record shall be created in PECOS at this point.

If the provider fails to submit a complete application within the aforementioned 30-day
period, the contractor shall follow the instructions in section 15.10.1.2(B) of this chapter.

If the provider submits the application, the contractor shall process it in accordance with
the instructions in this chapter and all other applicable CMS directives. This includes:

- Processing the complete application consistent with the timeframes for initial
  applications in section 15.6.1 of this chapter.

- Ensuring that all data elements on the Form CMS-855 have been validated, as it
  would with an initial enrollment application. The contractor shall not approve the
  change request until all data on the complete Form CMS-855 has been validated.

- Creating an L & T record and enrollment record in PECOS prior to approving the
  change request. (The receipt date should be the date on which the complete
  application was received, not the date on which the initial change request was
  received.) The transaction should be treated as an initial enrollment in PECOS;
  internally, the contractor shall treat it as a change of information. As the complete
  application will presumably incorporate the changed data reported on the original
  Form CMS-855 change request, the contractor shall not take two separate counts
  (one initial and one change request) for the transaction.

15.10.1.2 - Incomplete or Unverifiable Changes of Information
(Rev. 424, Issued: 06-13-12, Effective: 06-19-12, Implementation: 06-19-12)

The contractor shall follow the instructions in this section 15.10.1.2 if a submitted
change request cannot be processed to completion.

A. Provider Has an Established Enrollment Record in the Provider Enrollment,
Chain and Ownership System (PECOS)

Assume that a provider with a PECOS enrollment record submits a Form CMS-855
change request and (1) fails to timely respond to the contractor’s request for additional
or clarifying information, or (2) the changed information cannot be validated. The
contractor shall reject the change request in accordance with section 15.8.2 of this
chapter. Moreover, if the changed information is of such materiality that the contractor
cannot determine whether the provider still meets all enrollment requirements, the
contractor shall refer the matter to its Provider Enrollment Integrity Group (PEOG)
liaison for guidance. (For instance, if the data involves a change in the provider’s lone
practice location and the contractor cannot verify the validity of the new site, this
clearly raises questions as to the provider’s continued compliance with Medicare
requirements.)

B. Provider is Not in PECOS
As stated in section 15.10.1.1 of this chapter, if a provider does not have an established enrollment record in PECOS and wants to change any of its existing enrollment or electronic funds transfer (EFT) information, it must submit a complete Form CMS-855 before the contractor can effectuate the change. If the provider fails to submit the completed form within the applicable 30-day period, the contractor shall request that the provider revalidate its Medicare enrollment information per 42 CFR §424.515.

15.10.2 - Special Instructions for Certified Providers, ASCs, and Portable X-ray Suppliers
(Rev. 499, Issued: 12-27-13, Effective: 01-28-14, Implementation: 01-28-14)

A. Timeframe for Regional Office (RO) Approval

In situations where RO approval of the change of information is required, it is strongly recommended that the contractor advise the provider that it may take 6 months (or longer) for the request to be approved. The manner and timing in which this information is relayed lies solely within the contractor’s discretion.

B. Post-Recommendation Changes

If an applicant submits a change request after the contractor makes a recommendation on the provider’s initial CMS-855 application but before the RO issues a tie-in/approval notice, the contractor shall process the newly-submitted data as a separate change of information; it shall not take the changed information/corrected pages and, immediately upon receipt, send them directly to the State/RO to be incorporated into the existing application. The contractor, however, need not enter the change request into the Provider Enrollment, Chain and Ownership System (PECOS) until the tie-in notice is issued.

In entering the change request into PECOS, the contractor shall use the date it received the change request in its mailroom as the actual receipt date in PECOS; the date the tie-in notice was issued shall not be used. The contractor shall explain the situation in the “Comments” section in PECOS and in the provider file.

C. Hospital Addition of Practice Location

In situations where a hospital is adding a practice location, the contractor shall notify the provider in writing that its recommendation for approval does not constitute approval of the facility or group as provider-based under 42 CFR § 413.65.

D. Recommendation Before New HHA Location Established

If an HHA is adding a branch or changing the location of its main location or an existing branch, the contractor may make a recommendation for approval to the State/RO prior to the establishment of the new/changed location (notwithstanding any other instruction in this chapter to the contrary). If the contractor opts to make such a
recommendation prior to the establishment of the new/changed location, it shall note in its recommendation letter that the HHA location has not yet moved or been established.

15.10.3 – Voluntary Terminations

Voluntary terminations shall be processed in accordance with the timeframes in section 15.6.2, et al. of this chapter.

If the termination involves a certified provider or certified supplier, the contractor may terminate the entity without making a recommendation to the State and Regional Office (RO). Within 3 business days after the contractor finishes processing the termination, however, it shall notify the State and RO of this via letter, e-mail, or fax.

Upon receipt of a voluntary termination, the contractor may ask the provider to complete the “Special Payments” portion of section 4 of the Form CMS-855 so that future payments can be sent thereto. If the provider has no special payments address already on file, the addition should be included in the same transaction as the termination (i.e., one transaction incorporating both items). If the provider wants to change its existing special payments address, the transaction should be treated as a separate change request (i.e., one termination and one change request). The provider is not required to submit a Form CMS-588 in conjunction with a termination.

When processing a voluntary termination of a reassignment, the contractor shall contact the group to confirm that: (1) the group member PTAN is being terminated from all locations; and (2) if multiple group member PTANs exist for multiple group locations, each PTAN is terminated. However, if a group has one PTAN with multiple addresses, the contractor need not contact the group to confirm the termination.

15.11 – Electronic Fund Transfers (EFT)
(Rev. 474, Issued: 07-05-13, Effective: 10-08-13, Implementation: 10-08-13)

A. General Information

If a provider does not have an established enrollment record in the Provider Enrollment, Chain and Ownership System (PECS) and wants to change any of its EFT information (e.g., bank routing number), it must submit a complete Form CMS-855 before the contractor can effectuate the change. With the exception of the situation described in section (B) below, it is immaterial whether the provider or the bank was responsible for triggering the changed data.

Under 42 CFR §424.510(d)(2)(iv) and §424.510(e):

- All providers (including Federal, State and local governments) enrolling in Medicare must use EFT in order to receive payments. Moreover, any provider not currently on EFT that (1) submits any change to its existing enrollment data or (2)
submits a revalidation application must also submit a Form CMS-588 and thereafter receive payments via EFT.

- If a provider is already receiving payments via EFT and is located in a jurisdiction that is undergoing a change of Medicare contractors, the provider must continue to receive payments via EFT. However, the change in contractors does not require the provider to submit a new Form CMS-588 unless CMS states otherwise.

B. Verification

Providers and suppliers may submit a Form CMS-588 via paper or through PECOS. In either case, the contractor shall ensure that:

- The information submitted on the Form CMS-588 is complete and accurate.
- The provider/supplier submitted (1) a voided check or (2) a letter from the bank verifying the account information.
- The routing number and account number matches what was provided on the Form CMS-588.
- The signature is valid. (NOTE: For electronic Form CMS-588 submissions, the provider can either e-sign the form or submit a written signature via the paper Form CMS-588)

Once the Form CMS-588 has been processed, the 588 form will be printed and delivered to the contractor’s financial area along with the voided check and letter from the bank verifying account information, for proper processing of the EFT information. If this information cannot be verified and the provider fails to timely respond to a developmental request, the contractor shall reject the Form CMS-588 and, if applicable, the accompanying Form CMS-855.

C. Miscellaneous Policies

1. Banking Institutions - All payments must be made to a banking institution. EFT payments to non-banking institutions (e.g., brokerage houses, mutual fund families) are not permitted.

If the provider’s bank of choice does not or will not participate in the provider’s proposed EFT arrangement, the provider must select another financial institution.

2. Verification - The contractor shall ensure that all EFT arrangements comply with CMS Publication 100-04, chapter 1, section 30.2.5.

3. Sent to the Wrong Unit - If a provider submits an EFT change request to the contractor but not to the latter’s enrollment unit, the recipient unit shall forward it to the
enrollment staff, which shall then process the change. The enrollment unit is responsible for processing EFT changes. As such, while it may send the original EFT form back to the recipient unit, the enrollment unit shall keep a copy of the EFT form and append it to the provider’s Form CMS-855 in the file.

4. **Comparing Signatures** - If the contractor receives an EFT change request, it shall compare the signature thereon with the same official’s signature on file to ensure that it is the same person. If the person’s signature is not on file, the contractor shall request that he/she complete section 6 of the Form CMS-855 and furnish his/her signature in section 15 or 16. (This shall be treated as part of the EFT change request for purposes of timeliness and reporting.)

5. **Bankruptcies and Garnishments** – If the contractor receives a copy of a court order to send payments to a party other than the provider, it shall contact the applicable RO’s Office of General Counsel.

6. **Closure of Bank Account** – If a provider has closed its bank/EFT account but will remain enrolled in Medicare, the contractor shall place the provider on payment withhold until an EFT agreement (and Form CMS-855, if applicable) is submitted and approved by the contractor. If such an agreement is not submitted within 90 days after the contractor learned that the account was closed, the contractor shall commence revocation procedures in accordance with the instructions in this chapter. The basis for revocation would be §424.535(a) due to the provider’s failure to comply with the EFT requirements outlined in §424.510(e)(1) and (e)(2).

7. **Reassignments** – If a physician or non-physician practitioner is reassigning all of his/her benefits to another supplier and the latter is not currently on EFT, neither the practitioner nor the reassignee needs to submit a Form CMS-588. This is because (1) the practitioner is not receiving payment directly, and (2) accepting a reassignment does not qualify as a change of information request. If, however, the group later submits a change of information request and is not on EFT, it must submit a Form CMS-588.

8. **Final Payments** – If a non-certified supplier (e.g., physician, ambulance company) voluntarily withdraws from Medicare and needs to obtain its final payments, the contractor shall send such payments to the provider's EFT account of record. If the account is defunct, the contractor can send payments to the provider’s “special payments” address or, if none is on file, to any of the provider’s practice locations on record. If neither the EFT account nor the aforementioned addresses are available, the provider shall submit a Form CMS-855 or Form CMS-588 request identifying where it wants payments to be sent.

9. **Chain Organizations** - Per CMS Publication 100-04, chapter 1, section 30.2, a chain organization may have payments to its providers be sent to the chain home office. However, any mass EFT changes (involving large numbers of chain providers) must be submitted and processed in the same fashion as any other change in EFT data. For instance, if a chain has 100 providers and each wants to change its EFT account to that
of the chain home office, 100 separate Form CMS-588s must be submitted. If any of the chain providers have never completed a Form CMS-855 before, they must do so at that time.

15.12 – Reserved for Future Use
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)

15.13 – Existing or Delinquent Overpayments
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

Consistent with 42 CFR §424.530(a)(6), an enrollment application may be denied if: (1) the current owner (as that term is defined in 42 CFR §424.502) of the applying provider or supplier, or (2) the applying physician or non-physician practitioner, has an existing overpayment that is equal to or exceeds a threshold of $1,500 and it has not been repaid in full at the time the application was filed. To this end, the contractor shall:

- When processing a Form CMS-855A, CMS-855B, or 855S initial or change of ownership application, determine – using a system generated daily listing - whether any of the owners listed in section 5 or 6 of the application has an existing or delinquent Medicare overpayment.

- When processing a Form CMS-855I initial application, determine – using a system generated daily listing - whether the physician or non-physician practitioner has an existing or delinquent Medicare overpayment. (For purposes of this requirement, the term “non-physician practitioner” includes physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists, certified nurse-midwives, clinical social workers, clinical psychologists, and registered dietitians or nutrition professionals.)

If an owner, physician, or non-physician practitioner has such an overpayment, the contractor shall deny the application, using 42 CFR §424.530(a)(6) as the basis. However, prior approval from CMS’ Provider Enrollment & Oversight Group (PEOG) is required before proceeding with the denial. The contractor shall under no circumstances deny an application under §424.530(a)(6) without receiving PEOG approval to do so.

Consider the following examples:

Example #1: Hospital X has a $200,000 overpayment. It terminates its Medicare enrollment. Three months later, it reopens as Hospital Y and submits a new Form CMS-855A application for enrollment as such. A denial is not warranted because §424.530 (a)(6) only applies to physicians, practitioners, and owners.

Example #2: Dr. John Smith’s practice (“Smith Medicine”) is set up as a sole proprietorship. He incurs a $50,000 overpayment. He terminates his Medicare enrollment. Six months later, he tries to enroll as a sole proprietorship; his practice is
named “JS Medicine.” A denial is warranted because §424.530 (a)(6) applies to physicians and the $50,000 overpayment was attached to him as the sole proprietor.

Example #3 - Same scenario as example #2, but assume that his new practice is an LLC of which he is only a 30 percent owner. A denial is not warranted because the provision applies to owners and, again, the $50,000 overpayment was attached to him.

Example #4 - Jane Smith is a nurse practitioner in a solo practice. Her practice (“Smith Medicine”) is set up as a closely-held corporation, of which she is the 100 percent owner. Smith Medicine is assessed a $20,000 overpayment. She terminates her Medicare enrollment. Nine months later, she submits a Form CMS-855I application to enroll Smith Medicine as a new supplier. The business will be established as a sole proprietorship. A denial is not warranted because the $20,000 overpayment was attached to Smith Medicine, not to Jane Smith.

Excluded from denial under §424.535(a)(6) are individuals or entities (1) on a Medicare-approved plan of repayment or (2) whose overpayments are currently being offset or being appealed.

NOTE: The contractors shall also observe the following:

- In determining whether an overpayment exists, the contractor need only review its own records; it need not contact other contractors to determine whether the person or entity has an overpayment in those contractor jurisdictions.

- The instructions in this section 15.8.4 apply only to (1) initial enrollments, and (2) new owners in a change of ownership.

The term “owner” under section §424.502 means any individual or entity that has any partnership interest in, or that has 5 percent or more direct or indirect ownership of the provider or supplier as defined in sections 1124 and 1124A(A) of the Act.

- If the person or entity had an overpayment at the time the application was filed but repaid it in full by the time the contractor performed the review described in this section 15.8.4, the contractor shall not deny the application based on 42 CFR §424.530(a)(6).

15.14 – Special Processing Situations
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)

15.14.1 – Non-CMS-855 Enrollment Activities
(Rev. 424, Issued: 06-13-12, Effective: 06-19-12, Implementation: 06-19-12)

There are situations where the contractor processes non-CMS-855 forms and other documentation relating to provider enrollment. Such activities include:
- EFT agreements (Form CMS-588) submitted alone
- "Do Not Forward" issues
- Par agreements (Form CMS-460)
- Returned remittance notices
- Informational letters received from other contractors
- Diabetes self-management notices
- Verification of new billing services
- Paramedic intercept contracts
- 1099 issues that need to be resolved

Unless specified otherwise in this chapter or another CMS directive, the contractor shall not create a logging and tracking record for any non-CMS-855 document or activity other than the processing of par agreements. The contractor should track and record all other activities internally.

15.14.2 – Contractor Communications
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

Medicare contractors create Associate and Enrollment Records in the Provider Enrollment, Chain and Ownership System (PECOS). Ownership of an Associate or Enrollment Record belongs to the contractor within whose jurisdiction the provider/supplier is located. PECOS only permits the contractor that created the Associate or Enrollment Record (the “owning contractor”) to make updates, changes, or corrections to those records. (That is, the owning contractor is the only contractor that can make changes to the associate record.)

Occasionally, updates, changes, or corrections do not come to the owning contractor’s attention, but instead go to a different contractor. In those situations, the contractor that has been notified of the update/change/correction (the “requesting” contractor) must convey the changed information to the owning contractor so that the latter can update the record in PECOS.

The requesting contractor may notify the owning contractor via fax of the need to update/change/correct information in a provider’s PECOS record. The notification must contain:

1. The provider’s legal business name, Provider Transaction Access Number, and National Provider Identifier; and
2. The updated/changed/corrected data (by including a copy of the appropriate section of the Form CMS-855).

Within 7 calendar days of receiving the requesting contractor’s request for a change to a PECOS record, the owning contractor shall make the change and notify the requesting contractor thereof via fax, e-mail, or telephone.

If the owning contractor is reluctant to make the change, it shall contact its CMS Provider Enrollment & Oversight Group (PEOG) liaison for guidance. Note that the owning contractor may ask the requesting contractor for any additional information about the provider it deems necessary (e.g., IRS documentation, licenses).

The owning contractor need not ask the provider for a Form CMS-855 change of information in associate profile situations. It can simply use the Form CMS-855 copy that the requesting contractor sent/faxed to the owning contractor. For instance, suppose Provider X is enrolled in two different contractor jurisdictions – A and B. The provider enrolled with “A” first; its legal business name was listed as “John Brian Smith Hospital.” It later enrolls with “B” as “John Bryan Smith Hospital.” “B” has verified that “John Bryan Smith Hospital” is the correct name and sends a request to “A” to fix the name. “A” is not required to ask the provider to submit a Form CMS-855A change of information. It can use the CMS-855A copy that it received from “B.”

15.14.3 – Provider-Based
(Rev. 424, Issued: 06-13-12, Effective: 06-19-12, Implementation: 06-19-12)

The contractor shall adhere to the following regarding the enrollment of provider-based entities:

- **Certified Provider or Certified Supplier Initially Enrolling** – Suppose an HHA or other certified provider or certified supplier wishes to enroll and become provider-based to a hospital. The provider/supplier must enroll with the contractor as a separate entity. It cannot be listed as a practice location on the hospital’s Form CMS-855A.

- **Certified Provider or Certified Supplier Changing its Provider-Based Status** – If a certified provider or certified supplier is changing its status from provider-based to freestanding or vice versa, it need not submit any updates to its Form CMS-855 enrollment.

- **Group Practice Initially Enrolling** – If a group practice is enrolling in Medicare and will become provider-based to a hospital, the group generally must enroll via the Form CMS-855B if it wants to bill for practitioner services. The group would also need to be listed or added as a practice location on the hospital’s Form CMS-855A.
• **Group Practice Changing from Provider-Based to Freestanding** – In this situation, the hospital should submit a Form CMS-855A change request that deletes the clinic as a practice location. The group may also need to change the type of clinic it is enrolled as; this may require a new Form CMS-855B.

• **Group Practice Changing from Freestanding to Provider-Based** – Here, the hospital must submit a Form CMS-855A change request adding the group as a practice location. The group may also need to change the type of clinic it is enrolled as; this may require a new Form CMS-855B.

Unless the CMS regional office (RO) dictates otherwise, the contractor shall not delay the processing of any practice location addition applications pending receipt of provider-based attestations or RO approval of provider-based status.

**15.14.4 – Non-Participating Emergency Hospitals, Veterans Administration (VA) Hospitals, and Department of Defense (DOD) Hospitals**
(Rev. 430, 09-28-12, Effective: 10-29-12, Implementation: 10-29-12)

Non-participating emergency hospitals, VA hospitals and DOD hospitals no longer need to complete a Form CMS-855A enrollment application in order to bill Medicare.

**15.14.5 – Form CMS-855B Applications Submitted by Hospitals**
(Rev. 424, Issued: 06-13-12, Effective: 06-19-12, Implementation: 06-19-12)

**A. Group Practices**

If an entity is enrolling via the Form CMS-855B as a hospital-owned clinic/physician practice, the contractor shall contact the applicant to determine whether the latter will be billing any of the listed locations as provider-based. If the applicant will not be billing as provider-based, the contractor shall process the application normally. If, however, the applicant will bill as provider-based, the contractor shall notify the applicant that the hospital must report any changed practice locations to its contractor via the Form CMS-855A.

If the supplier is enrolling as a hospital department (under the “Clinic/Group Practice” category on the Form CMS-855B) or an existing hospital department is undergoing a change of ownership (CHOW), the contractor shall only issue the necessary billing numbers upon notification that a provider agreement has been issued – or, in the case of a CHOW, the provider agreement has been transferred to the new owner. If, however, the supplier is enrolling as a group practice that is merely owned by a hospital (as opposed to being a hospital department), it is not necessary for the contractor to wait until the provider agreement is issued before conveying billing privileges to the group.

**B. Individual Billings**
Assume an individual physician works for a hospital and will be billing for services as an individual (i.e., not as part of the hospital service/payment). However, he/she wants to reassign these benefits to the hospital. The hospital will need to enroll with the contractor via the Form CMS-855B (e.g., as a hospital department, outpatient location).

15.14.6 – Participation (Par) Agreements and the Acceptance of Assignment  
(Rev. 592, 05-08-15, Effective: 06-08-15, Implementation: 06-08-15)

15.14.6.1 – General Information  
(Rev. 592, 05-08-15, Effective: 06-08-15, Implementation: 06-08-15)

The contractor shall follow the instructions in CMS Publication 100-04, chapter 1, sections 30 through 30.3.12.3 when handling issues related to par agreements and assignment. Queries related to the interpretation of such instructions shall be referred to the responsible CMS component.

Individual physicians and non-physician practitioners who reassign benefits to a clinic/group practice inherit the Par status established by the clinic/group practice. However, if the individual physician or non-physician practitioner maintains a private practice, separate from the reassignment of benefits agreement, he/she may designate their own Par status. Refer to the instructions in Publication 100-04, chapter 1, section 30 for applying the correct Par status to clinic/group practices, organizations and individuals in private practice.

15.14.6.2 – PECOS Information  
(Rev. 592, Issued: 05-08-15, Effective: 06-08-15, Implementation: 06-08-15)

All providers/suppliers must choose to be either Par or Non-Par when enrolling and must maintain the same Par status across all lines of business. The MAC shall search PECOS to determine if an enrollment already exists with the enrolling provider or supplier’s legal business information (i.e.: Legal Business Name, Federal Tax Identification Number).

No Par status change shall be made by the MAC without confirmation from the provider/supplier first. In the event that a provider/supplier submits a Par Agreement and they are currently enrolled as Non-Par, the MAC must confirm with the provider/supplier that the change in the Par status is valid for all lines of business. Likewise, if a provider/supplier does not submit a Par Agreement, and they are enrolled as Par or Non-Par, the MAC shall confirm that the provider or supplier is not changing their current Par status across all lines of business.

15.14.7 – Opt-Out  
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)

There are physicians and other individual practitioners who do not wish to enroll in the
Physicians and practitioners (but not organizations) can “opt-out” of Medicare. This means that neither the physician nor the beneficiary submits the bill to Medicare for services performed. Instead, the beneficiary pays the physician out-of-pocket and neither party is reimbursed by Medicare. In fact, a private contract is signed between the physician and the beneficiary that states, in essence, that neither one can receive payment from Medicare for the services that were performed. (The contract, of course, must be signed before the services are provided so the beneficiary is fully aware of the physician’s opt-out status.) Moreover, the supplier must submit an affidavit to Medicare expressing his/her decision to opt-out of the program. The provider enrollment unit must process these affidavits.

The difference between opting-out and not accepting assignment is relatively straightforward. If the practitioner opts-out, neither he/she nor the beneficiary can bill Medicare. If the practitioner chooses not to accept assignment, he/she must still enroll in Medicare and must submit the bill to the contractor.

(For additional information on “opt-out,” see Pub. 100-02, chapter 15, section 40.)

In an emergency care or urgent care situation, a physician or practitioner who opts out may treat a Medicare beneficiary with whom he or she does not have a private contract. In those circumstances, the physician or practitioner must complete a CMS-855 application after the emergency services were provided.

15.14.8 – Assignment of Part B Provider Transaction Access Numbers (PTANs)
(Rev. 424, Issued: 06-13-12, Effective: 06-19-12, Implementation: 06-19-12)

The contractor shall only assign the minimum number of PTANs necessary to ensure that proper payments are made. The contractor shall not assign additional PTAN(s) to a supplier merely because the individual or entity requests one - the only exception being for hospitals that request separate billing numbers for their hospital departments in section 2C of the Form CMS-855B. However, a hospital requesting an additional PTAN must associate the new PTAN with a National Provider Identifier in section 4 of the Form CMS-855.

15.15 – Internet-based PECOS Applications
(Rev. 532, Issued: 08-01-14, Effective: 09-02-14, Implementation: 09-02-14)

This section furnishes guidance to contractors on the proper handling and processing of Form CMS-855 applications submitted via the Internet (hereinafter referred to as "Internet-based PECOS" applications). Unless otherwise stated:

- The instructions in this section 15.15 apply only to Internet-based PECOS applications.
- The instructions in sections 15.7 through 7.1.6.2 of this chapter take precedence
A. General Background Information

The principal logging and tracking (L & T) statuses for PECOS Internet applications that are not in a final status are:

- Received;
- In Review;
- Returned for Corrections;
- Corrections Received;
- Review Complete; and
- Application in Process.

The submission of a PECOS Internet application will immediately place the L & T record into a “Received” status.

B. Certification Statement

If the provider fails to submit a signed and dated certification statement to the contractor within 45 calendar days of the date on which it submitted its Internet-based PECOS application to the contractor, the contractor may – but is not required to - reject the application. (For purposes of this policy, the certification statement must be received by the contractor’s provider enrollment unit by the 45th day.) The 45-day rule applies to all CMS-855 PECOS Internet applications, regardless of the transaction involved.

For initial PECOS Internet applications (as the term “initial” is defined in section 15.6.1 of this chapter), it is only necessary that the dated signature of at least one of the provider’s authorized officials be on the certification statement that must be sent in by the 45th day; obtaining the signatures of the other authorized and delegated officials shall be done through the normal application development process. For PECOS Internet changes of information (as the term “changes of information” is defined in section 15.6.2 of this chapter), if the certification statement is signed by an individual who is not on file with the contractor as being an authorized or delegated official of the provider, the contractor may accept the certification statement but shall develop for information on the person in question in accordance with sections 15.5.15 and 15.5.16 of this chapter.

If the provider submits: (1) an undated certification statement, or (2) a certification statement on which the Web Tracking ID does not match that in PECOS, the contractor shall treat it as a non-submission; while it is recommended that the contractor contact the provider to request a signed/correct certification statement, it is not required. (This requirement applies to any Form CMS-855 transaction, including requests for additional/clarifying information.)
If the contractor elects to contact the provider to request a dated/valid certification statement, the contractor may give the provider an additional 15 days (or, for that matter, any additional time beyond the initial 45-day period) to submit the new certification statement. In determining whether to accept an untimely certification statement, the contractor shall take into account factors such as: (1) the degree of the provider’s cooperation, (2) the time it took for the certification statement to be transferred from the contractor’s main mailroom to the provider enrollment department, and (3) the number of days by which the provider missed the 45-day deadline.

C. Application Returns

If the contractor can determine (without actively processing the application) that an application can be returned under section 15.8.1 of this chapter (e.g., was submitted more than 30 days prior to the effective date), the contractor shall return the application without waiting for the arrival of the certification statement.

D. Switch to “In Review” Status

After – and only after - it receives and accepts the provider’s certification statement, the contractor shall: (1) enter the date of signature into the “Certification Date” box in the L & T record, and (2) change the L & T status to “In Review.” The contractor, in other words, shall not initiate any application verification activities prior to its receipt and acceptance of the certification statement and its completion of tasks (1) and (2) in the previous sentence.

After changing the L & T status to “In Review,” the contractor shall review the Application Data Report (ADR), and shall commence all applicable validation activities identified in this chapter. (The ADR is only available for printing when the L & T record is in one of the following statuses: “In Review,” “Returned for Corrections,” or “Corrections Received.”)

E. Transferral of Data into PECOS

Once the contractor ties the L & T record to the enrollment record, the contractor shall begin the process of transferring the data into PECOS by accepting or rejecting the various data elements. The contractor shall note that: (1) it cannot undo any transfer of information into PECOS, and (2) once the L & T is tied to the enrollment record, the application cannot be returned to the provider for corrections.

F. Miscellaneous Instructions

NOTE: The contractor is advised of the following:

- **Deletion of Erroneous Record** - The contractor shall only delete an erroneously created L & T record by: (1) moving the L & T record to a status of “Rejected,” and (2) using an L & T status reason of “Deleted.”
• **Gatekeeper/Enrollment Screens** - The Gatekeeper and Enrollment screens are only used in the case of Form CMS-855 initial enrollment PECOS Internet submissions.

• **Post-Processing Recordkeeping** - After processing a particular PECOS Internet transaction, the contractor shall maintain in the provider’s file: (1) a copy of the final version of the ADR, (2) all submitted certification statements and applicable supporting documents, and (3) documentation of all contacts with the provider (e.g., phone calls, e-mails) per section 15.7.3 of this chapter.

**State Agencies** - In situations described in this chapter in which the contractor is required to submit a copy of the provider’s paper Form CMS-855 to the state agency, the contractor shall send a copy of the ADR in lieu of the Form CMS-855 if the provider sent in its application via the Internet.

15.16 – Ordering/Certifying Suppliers Who Do Not Have Medicare Billing Privileges  
(Rev. 435, Issued: 10-19-12, Effective: 11-20-12, Implementation: 11-20-12)

15.16.1 – Ordering/Certifying Suppliers – Background  
(Rev. 532, Issued: 08-01-14, Effective: 09-02-14, Implementation: 09-02-14)

A. **Who Can Order/Certify**

Generally, depending upon state law, the following physicians and non-physician practitioners are permitted to order or certify items or services for Medicare beneficiaries:

- Doctors of medicine or osteopathy
- Doctors of dental surgery or dental medicine
- Doctors of podiatry
- Doctors of optometry
- Physician assistants
- Certified clinical nurse specialists
- Nurse practitioners
- Clinical psychologists
- Certified nurse midwives
- Clinical social workers

Most physicians and non-physician practitioners enroll in Medicare so they can receive reimbursement for covered services to Medicare beneficiaries. However, some physicians and non-physician practitioners who are not enrolled in Medicare via the Form CMS-855I may wish to order or certify items or services for Medicare beneficiaries. These individuals can become eligible to do so by completing the Form CMS-855O via paper or the Internet-based Provider Enrollment, Chain and Ownership
NOTE: It is important to observe that physicians and non-physician practitioners that complete the Form CMS-855O do not and will not send claims to a Medicare contractor for services they furnish. They are not afforded Medicare billing privileges for the purpose of submitting claims to Medicare directly for services that they furnish to beneficiaries. Such persons may be:

- Employed by the Department of Veterans Affairs (DVA)
- Employed by the Public Health Service (PHS)
- Employed by the Department of Defense (DOD) Tricare
- Employed by the Indian Health Service (IHS) or a tribal organization
- Employed by a federally qualified health center (FQHC), rural health clinic (RHC), or critical access hospital (CAH)
- Licensed residents and physicians in a fellowship (see subsection B)
- Dentists, including oral surgeons
- Pediatricians

B. CMS Final Rule 6010-F

CMS-6010-F was published in the Federal Register on April 27, 2012. It set forth and/or reiterated several policies including, but not limited to, the following:

1. Residents (as defined in 42 CFR § 413.75 and which includes interns and fellows) who are enrolled in an accredited graduate medical education program in a state that licenses or otherwise enables such individual to practice or order these items or services may enroll in Medicare to order and certify.

2. To order and certify for Medicare items and services, a provider or supplier must be enrolled in either PECOS or the Medicare contractor’s legacy system.

3. The ordering/certifying provisions of the final rule only apply to items of durable medical equipment, prosthetics, orthotics and supplies, imaging and clinical laboratory services, and home health services.

An interim final rule – CMS-6010-IFC, which was published in the Federal Register on May 5, 2010 – used the terms “refer” and “referring,” rather than “certify” and “certifying.” The April 27, 2012 final rule stated that the latter two terms should be used instead of “refer” and “referring.”

15.16.2 – Processing Initial Form CMS-855O Submissions
(Rev. 532, Issued: 08-01-14, Effective: 09-02-14, Implementation: 09-02-14)

The instructions in sections 15.7 through 7.1.6.2 of this chapter take precedence over those in sections 15.16.2 and 15.16.3.
A. Receipt

Upon receipt of an initial Form CMS-855O (or - for Internet-based Provider Enrollment, Chain and Ownership System (PECOS) submissions - a certification statement), the contractor shall create a logging & tracking (L & T) record.

NOTE: The physician/non-physician practitioner need not submit a Form CMS-460, a Form CMS-588, or an application fee with his or her Form CMS-855O.

Section 15.8.1 of this chapter outlines the reasons for which the contractor may immediately return a Form CMS-855O. If the contractor determines that one or more of these reasons applies, it may return the form in accordance with the instructions outlined in that section.

B. Verification

Unless stated otherwise in this chapter or in another CMS directive, the contractor shall verify all of the information on the Form CMS-855O. This includes, but is not limited to:

- Verification of the individual’s name, date of birth, social security number, and National Provider Identifier (NPI).

- Verification that the individual meets the requirements for his/her supplier type. (The contractor reserves the right to request that the individual submit documentation verifying his or her professional licensure, credentials, or education.)

- Verification that the individual is of a supplier type that can legally order or certify.

- Reviewing the Medicare Exclusion Database (MED) and System for Award Management (SAM) to ensure that the individual is not excluded or debarred.

If, at any time during the verification process, the contractor needs additional or clarifying information from the physician/non-physician practitioner, it shall follow existing CMS instructions for obtaining said data (e.g., sending a developmental letter). The information must be furnished to the contractor within 30 calendar days of the contractor’s request.

C. Disposition

Upon completion of its review of the form, the contractor shall approve, deny, or reject it.

Grounds for denial are as follows:
• The supplier is not of a type that is eligible to use the Form CMS-855O.

• The supplier is not of a type that is eligible to order or certify items or services for Medicare beneficiaries.

• The supplier does not meet the licensure, certification or educational requirements for his or her supplier type.

• The supplier is excluded per the MED and/or debarred per the SAM.

If the contractor believes that another ground for denial exists for a particular submission, it should contact its CMS Provider Enrollment Business Function Lead for guidance.

The Form CMS-855O may be rejected if the supplier fails to furnish all required information on the form within 30 calendar days of the contractor’s request to do so. (This includes situations in which information was submitted, but could not be verified.) The basis for rejection shall be 42 CFR § 424.525(a).

When denying or rejecting the Form CMS-855O submission, the contractor shall: (1) switch the PECOS record to a “denied” or “rejected” status (as applicable), and (2) send a letter to the supplier notifying him or her of the denial or rejection and the reason(s) for it. The letter shall follow the formats outlined in sections 15.24.22 (rejections) and 15.24.23 (denials) of this chapter. Denial letters shall be sent via certified mail. Rejection letters shall be sent by mail or e-mail. (NOTE: A denial triggers appeal rights. A rejection does not.)

If the Form CMS-855O is approved, the contractor shall: (1) switch the PECOS record to an “approved” status, and (2) send a letter (via mail or e-mail) to the supplier notifying him or her of the approval. The letter shall follow the format outlined in section 15.24.21 of this chapter.

E. Miscellaneous

NOTE: The contractor shall observe the following:

1. The supplier shall be treated as a non-participating supplier (or “non-par”).

2. If the supplier is employed by the DVA, the DOD, or the IHS, he or she – for purposes of the Form CMS-855O - need only be licensed or certified in one State. Said State need not be the one in which the DVA or DOD office is located.

3. Nothing in sections 15.16.2 through 15.16.4 affects any existing CMS instructions regarding the processing of opt-out affidavits.
4. Suppliers cannot submit an abbreviated version of the Form CMS-855I in lieu of the Form CMS-855O.

5. The effective date of enrollment shall be the date on which the contractor received the paper form or Web-based certification statement in its mailroom.

6. If the supplier’s Form CMS-855O has been approved and he or she later wants to obtain Medicare billing privileges, he or she must voluntarily withdraw his or her Form CMS-855O enrollment prior to receiving Medicare billing privileges. (The supplier, of course, must complete the Form CMS-855I in order to receive Medicare billing privileges.)

15.16.3 – Processing Form CMS-855O Change of Information Requests
(Rev. 532, Issued: 08-01-14, Effective: 09-02-14, Implementation: 09-02-14)

A. Receipt

Upon receipt of a Form CMS-855O change of information request (or - for Internet-based Provider Enrollment, Chain and Ownership System (PECOS) change requests - a certification statement), the contractor shall create a logging and tracking (L & T) record.

Section 15.8.1 of this chapter outlines the reasons for which the contractor may immediately return a Form CMS-855O. If the contractor determines that one or more of these reasons applies, it may return the change request via the instructions outlined in that section.

Suppliers who are enrolled in Medicare via the Form CMS-855I may not report changes to their enrollment information via the Form CMS-855O. They must use the Form CMS-855I. Similarly, suppliers whose Form CMS-855O submissions have been approved must use the Form CMS-855O to report information changes; they cannot use the Form CMS-855I for this purpose.

B. Verification

Unless stated otherwise in this chapter or in another CMS directive, the contractor shall verify the new information that the supplier furnished on the Form CMS-855O. (This includes checking the supplier against the Medicare Exclusion Database and the System for Award Management (SAM).) If, at any time during the verification process, the contractor needs additional or clarifying information, it shall follow existing CMS instructions for obtaining said data (e.g., sending a developmental letter). The information must be furnished to the contractor within 30 calendar days of the contractor’s request.

C. Disposition
Upon completion of its review of the change request, the contractor shall approve, deny, or reject the submission. The principal ground for denial will be that the new information was furnished, but could not be verified. If the contractor believes that another ground for denial exists with respect to a particular submission, it should contact its CMS Provider Enrollment Business Function Lead (PEBFL) for guidance.

The change request may be rejected if the supplier failed to furnish all required information on the form within 30 calendar days of the contractor’s request to do so. The basis for rejection shall be 42 CFR § 424.525(a).

When denying or rejecting the change request, the contractor shall: (1) switch the PECOS record to a “denied” or “rejected” status (as applicable), and (2) send a letter (via mail or e-mail) to the supplier notifying him or her of the denial or rejection and the reason(s) for it.

If the change request is approved, the contractor shall (1) switch the PECOS record to an “approved” status, and (2) send a letter (via mail or e-mail) to the supplier notifying him or her of the approval.

15.16.4 – Form CMS-855O Revocations
(Rev. 532, Issued: 08-01-14, Effective: 09-02-14, Implementation: 09-02-14)

If the contractor determines that grounds exist for revoking the supplier’s Form CMS-855O enrollment, it shall:

- Switch the supplier’s Provider Enrollment, Chain and Ownership System (PECOS) record to a “revoked” status,
- End-date the PECOS record, and
- Send a letter via certified mail to the supplier stating that his or her Form CMS-855O enrollment has been revoked. The letter shall follow the format outlined in section 15.24.24 of this chapter.

Grounds for revoking the supplier’s Form CMS-855O enrollment are as follows:

- The supplier is no longer of a type that is eligible to order or certify.
- The supplier no longer meets the licensure, certification or educational requirements for his or her supplier type.
- The supplier is excluded per the Medicare Exclusion Database (MED) and/or debarred per the System for Award Management (SAM).

For purposes of the Form CMS-855O only, the term “revocation” effectively means
that:

- The supplier may no longer order or certify Medicare services based on his or her having completed the Form CMS-855O process.

- If the supplier wishes to submit another Form CMS-855O, he or she must do so as an initial applicant.

There are appeal rights associated with the revocation of a supplier’s Form CMS-855O enrollment.

15.16.5 – Conversion from Form CMS-855O to Form CMS-855I – PECOS Requirements (Rev. 474, Issued: 07-05-13, Effective: 10-08-13, Implementation: 10-08-13)

Internet-based PECOS permits an individual provider to convert his or her current Form CMS-855O application to a Form CMS-855I enrollment and vice versa. Such providers shall follow the current process for creating a new application. When PECOS detects existing approved enrollments, the provider will be prompted to select from a list of those enrollments that will be used to pre-populate the information for the new application. The provider must confirm that he or she wants to withdraw the existing enrollments before the new application may be submitted.

The enrollments to be withdrawn are displayed in a new section of the ADR in PECOS Administrative Interface (AI). The contractor shall review this information and take the appropriate action to voluntarily withdraw the enrollments listed. The contractor shall begin working the Form CMS-855I enrollment but leave it in “In Review” status while withdrawing the other enrollments. A logging and tracking (L&T) submittal reason of Voluntary Termination shall be used to withdraw the Form CMS-855O enrollment. The effective date of the withdrawn enrollments shall be one day prior to the effective date of the Form CMS-855I enrollment. If it is determined that the Form CMS-855O enrollment requiring withdrawal is outside of the contractor’s jurisdiction, the contractor shall notify the other contractor via email using the “Associate Profile Contact List,” stating that the enrollment needs to be voluntary withdrawn. The second contractor shall take action based on the email and include the email in its files as documentation.

If the provider submits a paper Form CMS-855I application and it is determined that a current Form CMS-855O enrollment exists within the contractor jurisdiction, the contractor shall voluntarily withdraw the Form CMS-855O enrollment. If it is determined that the current Form CMS-855O enrollment is outside of the contractor’s jurisdiction, the contractor shall notify the other contractor via email using the “Associate Profile Contact List” that the enrollment needs to be voluntary withdrawn. The second contractor shall take action based on the email and include the email in its files as documentation.
If the provider submits a paper Form CMS-855O to voluntarily withdraw his or her enrollment as well as a paper Form CMS-855I to begin billing Medicare, the contractor shall not contact the provider to confirm the submissions unless the contractor has reason to believe that what was submitted was not the provider’s intention. If it is determined that the provider submitted applications to convert his or her existing Form CMS-855O enrollment into a Form CMS-855I enrollment in error (either via paper or Internet-based PECOS), the contractor shall reject the application, thus returning the enrollment record back to its previous state.

15.17 – Establishing an Effective Date of Medicare Billing Privileges

(This section only applies to the following individuals and organizations: physicians; physician assistants; nurse practitioners; clinical nurse specialists; certified registered nurse anesthetists; anesthesiology assistants; certified nurse-midwives; clinical social workers; clinical psychologists; registered dietitians or nutrition professionals; physician and non-physician practitioner organizations (e.g., group practices) consisting of any of the categories of individuals identified above; or ambulance suppliers.

A. Background

In accordance with 42 CFR §424.520(d), the effective date for the individuals and organizations identified above is the later of:

- The date the supplier filed an enrollment application that was subsequently approved, or
- The date the supplier first began furnishing services at a new practice location.

NOTE: The date of filing for Internet-based Provider Enrollment, Chain and Ownership System (PECOS) applications is the date that the contractor received an electronic version of the enrollment application and a signed certification statement submitted via paper or electronically.

B. Retrospective Billing

Consistent with 42 CFR §424.521(a), the individuals and organizations identified above may retrospectively bill for services when:

- The supplier has met all program requirements, including state licensure requirements, and
- The services were provided at the enrolled practice location for up to—
  1. 30 days prior to their effective date if circumstances precluded enrollment in advance of providing services to Medicare beneficiaries, or
2. 90 days prior to their effective date if a Presidentially-declared disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§5121-5206 (Stafford Act) precluded enrollment in advance of providing services to Medicare beneficiaries.

The contractor shall interpret the phase “circumstances precluded enrollment” to mean that the supplier meets all program requirements (including state licensure) during the 30-day period before an application was submitted and no final adverse action, as identified in §424.502, precluded enrollment. If a final adverse action precluded enrollment during this 30-day period, the contractor shall only establish an effective billing date the day after the date that the final adverse action was resolved, as long as it is not more than 30 days prior to the date on which the application was submitted.

If the contractor believes that the aforementioned Presidentially-declared disaster exception may apply in a particular case, it shall contact its CMS Provider Enrollment Business Function Lead for a determination on this issue.

C. Legal Distinction between Effective Date of Enrollment and retrospective Billing Date

The effective date of enrollment is “the later of the date of filing or the date (the supplier) first began furnishing services at a new practice location.” The retrospective billing date, however, is “up to…30 days prior to (the supplier’s) effective date (of enrollment).” To illustrate, suppose that a non-Medicare enrolled physician begins furnishing services at an office on March 1. She submits a Form CMS-855I initial enrollment application on May 1. The application is approved on June 1. The physician’s effective date of enrollment is May 1, which is the later of: (1) the date of filing, and (2) the date she began furnishing services. The retrospective billing date is April 1 (or 30 days prior to the effective date of enrollment), assuming that the requirements of 42 CFR §424.521(a) are met.

NOTE: However, that the effective date entered into the Provider Enrollment, Chain and Ownership System (PECOS) and the Multi-Carrier System will be April 1 and that claims submitted for services provided before April 1 will not be paid.

15.17.1 - Effective Date for Certified Providers and Certified Suppliers (Rev. 404, Issued: 01-20-12, Effective: 04-22-12, Implementation: 04-22-12)

The final Fiscal Year (FY) 2011 Hospital Inpatient Prospective Payment System (IPPS) final rule was published on August 16, 2010 (75 FR 50042) and became effective October 1, 2010. Several provisions in the rule directly affect areas of survey and certification responsibility.

Section 489.13 governs the determination of the effective date of a Medicare provider agreement or supplier approval for health care facilities that are subject to survey and
certification. Section 489.13 was revised to clarify that the date of a Medicare provider agreement or supplier approval may not be earlier than the latest date on which all applicable federal requirements have been met. Such requirements include the Medicare contractor’s review and verification of the provider/supplier’s Form CMS-855 application.

These clarifications were necessary because of a September 28, 2009 decision of the Appellate Division of the Department Appeals Board (DAB). The DAB’s interpretation of §489.13 was that it did not include enrollment application processing as among the Federal requirements that must be met. In that case, a State Agency (SA) had conducted a survey of an applicant on July 6, 2007, prior to receiving the November 21, 2007 notice from the Medicare contractor that was recommending approval of the applicant’s enrollment application. The CMS Regional Office (RO) issued a provider approval effective November 21, 2007, consistent with our traditional interpretation of §489.13. The DAB, however, ruled that the effective date must be July 6, 2007. The DAB agreed with the applicant that the requirement for the Medicare contractor to verify and determine whether an application should be approved is not a requirement for the provider to meet [under §489.13], but rather a requirement for Medicare contractor action (DAB Decision No. 2271, page 5).

Although SAs and accreditation organizations (AOs) are aware that - in accordance with Section 2003B of the State Operations Manual (SOM) - they should not perform a survey of a new facility until the Medicare contractor has made a recommendation for approval, circumstances do occur where the sequence is reversed. AOs, in particular, often find it challenging to confirm whether the Medicare contractor has made its recommendation. This is because AOs are dependent upon the applicant providing copies of the pertinent notices. When the survey occurs prior to the enrollment verification activities, we believe it is essential that the provider agreement or supplier approval date be based on the later date, i.e., the date on which the contractor determined that the enrollment application verification.

Accordingly, §489.13(b) now states that:

“Federal requirements include, but are not limited to –

(1) Enrollment requirements established in part 424, Subpart P, of this chapter. CMS determines, based upon its review and verification of the prospective provider’s or supplier’s enrollment application, the date on which enrollment requirements have been met;

(2) The requirements identified in §§489.10 and 489.12; and

(3) The applicable Medicare health and safety standards, such as the applicable conditions of participation, the requirements for participation, the conditions for coverage, or the conditions for certification.”
15.18 – Ordering and Certifying Documentation - Maintenance Requirements

A. Background

Under 42 CFR §424.516(f)(1), a provider or supplier that furnishes covered ordered items of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS), clinical laboratory, imaging services, or covered ordered/certified home health services is required to:

- Maintain documentation (see next paragraph) for 7 years from the date of service, and
- Upon the request of CMS or a Medicare contractor, provide access to that documentation.

The documentation to be maintained includes written and electronic documents (including the National Provider Identifier (NPI) of the physician who ordered/certified the home health services and the NPI of the physician - or, when permitted, other eligible professional - who ordered items of DMEPOS or clinical laboratory or imaging services) relating to written orders and certifications and requests for payments for items of DMEPOS and clinical laboratory, imaging, and home health services.

In addition, under §424.516(f)(2), a physician who orders/certifies home health services and the physician - or, when permitted, other eligible professional - who orders items of DMEPOS or clinical laboratory or imaging services is required to maintain the documentation described in the previous paragraph for 7 years from the date of service and to provide access to that documentation pursuant to a CMS or Medicare contractor request.

If the provider, supplier, physician or eligible professional (as applicable) fails to maintain this documentation or to furnish this documentation upon request, the contractor may revoke enrollment under §424.535(a)(10).

B. Justification for Request for Documentation

Absent a CMS directive to the contrary, the contractor shall request the documentation described in subsection (A) if it has reason to believe that the provider, supplier, physician or eligible professional (hereinafter collectively referred to as “provider”) is not maintaining the documentation in accordance with §424.516(f)(1) or (2). Examples of when a request might be appropriate include, but are not limited to:

- The contractor has detected an unusually high number of denied claims involving the provider, or the Fraud Prevention System has generated an alert with respect to the provider.
The provider has been the subject of a recent Zone Program Integrity Contractor referral.

The provider maintains an elevated surety bond amount.

These are, of course, only examples of when a request could perhaps be warranted. Ultimately, the contractor would have to consider the surrounding circumstances of each case, including those involving situations not addressed in the aforementioned examples. The contractor may always contact its CMS Provider Enrollment Business Function Lead (PEBFL) if it is uncertain as to whether a particular documentation request should be made.

**NOTE:** Documentation cannot be requested for written orders and certifications dated prior to July 6, 2010.

C. Maintaining and Providing Access to Documentation

Under §424.516(f), CMS or a Medicare contractor may request access to documentation described in §424.516(f). The term “access to documentation” means that the documentation is actually provided or made available in the manner requested by CMS or a Medicare contractor. All providers and suppliers who either furnish, order, or certify the items described in section A above are subject to this requirement and are individually responsible for maintaining these records and providing them upon request.

For example, if a Medicare contractor requests copies of all orders for wheelchairs from an ordering physician for all beneficiaries with dates of service from November 1, 2014 through November 10, 2014, the ordering physician must provide the copies, in full, according to the specific request. If copies cannot be provided because the physician or eligible professional did not personally maintain the records or can only be partially provided, then the requirement to maintain this documentation and provide access to it will not have been met and the provider, supplier, physician, or eligible professional may be subject to the revocation basis set forth in §424.535(a)(10).

Examples of Sufficient and Deficient Access may include, but are not limited to:

<table>
<thead>
<tr>
<th>Sufficient Access</th>
<th>Deficient Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>• All documentation requested</td>
<td>• Providing none of the requested documentation</td>
</tr>
<tr>
<td>• Documentation specific to the order(s) or certification(s), as requested</td>
<td>• Providing only a portion of the requested documentation</td>
</tr>
<tr>
<td>• Documentation for the dates of service or billing periods requested</td>
<td>• Providing similar documentation that does not contain the order or certification requested</td>
</tr>
</tbody>
</table>
Providing other documents NOT requested by CMS or a Medicare contractor and/or not specifically directing attention to the requested documentation

CMS recognizes that providers and suppliers often rely upon an employer or another entity to maintain these records on their behalf. However, it remains the responsibility of the individual or entity upon whom/which the request has been made to provide documentation. All individuals and entities subject to this documentation requirement are responsible for ensuring that documents are provided upon request and may ultimately be subject to the revocation basis associated with not complying with the documentation request.

D. Process

If the contractor believes that a request for documentation is warranted, it shall prepare and send a request letter to the provider via mail. If the provider:

- Fails to respond within 30 calendar days of the contractor’s request (i.e., a complete non-response), the contractor shall revoke enrollment using §424.535(a)(10) as the basis. Prior approval from the contractor’s PEOG BFL is not necessary. A 1-year re-enrollment bar shall be imposed.

- Timely furnishes documentation that the contractor nevertheless deems inadequate, the contractor shall send a developmental letter via mail, e-mail or fax to the provider that requests more sufficient documentation. If the provider fails to submit such documentation (either via a complete non-response or by submitting additional inadequate documentation), the contractor shall refer the matter (including the documentation submitted to date) to its CMS PEBFL. CMS will determine whether a revocation is warranted and will notify the contractor via e-mail of its decision.

- Furnishes documentation that the contractor deems adequate, the contractor need not take further action other than to place the documentation and the documentation request letter(s) in the provider file.

E. Additional Guidance

The contractor shall also abide by the following:

1. When preparing the letter referred to in (C)(1) above, the contractor shall use the appropriate model language in (E) or (F) below. Note, however, that while the letters request copies of orders, the contractor has the discretion to ask for different or additional documentation (e.g., documentation that supports the legitimacy of a particular service or the payment of a particular claim). Copies of orders need not be
requested in every situation. As alluded to in (B) above, the contractor would have to examine the facts of each case in determining the type(s) of documentation to be requested.

2. There may be situations in which CMS directs the contractor to request documentation in a particular case. The contractor shall follow the instructions in this section 15.18 with respect to doing so.

3. The contractor shall contact its CMS PEBFL if it has questions as to whether particular submitted documentation is adequate or legitimate – specifically, whether it falls within the category of documentation described in section (A) above.

F. Model Language for § 424.516(f)(1) Situations

The contractor shall use the model language below if it is requesting documentation from a provider or supplier furnishing the items or services addressed in §424.516(f)(1).

“Dear Provider/Supplier:

Under 42 CFR §424.516(f)(1), a provider or supplier that furnishes covered ordered items of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS), clinical laboratory, imaging services, or covered ordered/certified home health services is required to:

• Maintain documentation for 7 years from the date of service, and

• Upon the request of CMS or a Medicare contractor, provide access to that documentation.

The documentation to be maintained includes written and electronic documents (including the National Provider Identifier (NPI) of the physician who ordered/certified the home health services and the NPI of the physician - or, when permitted, other eligible professional - who ordered items of DMEPOS or clinical laboratory or imaging services) relating to written orders and certifications and requests for payments for items of DMEPOS and clinical laboratory, imaging, and home health services.

Consistent with §424.516(f)(1), please mail to us copies of the orders for the items or services that were furnished to the following beneficiaries on the dates specified:

(Contractors shall insert the beneficiaries’ names (up to 5 may be listed, unless CMS specifies otherwise), appropriate identification information, and the dates on which the provider or supplier furnished the items/services in question. The contractor has the discretion to determine the cases/services that are included in this documentation request as well as the type(s) of documentation to be requested.)

The documentation must be received at the following address no later than 30 calendar
days after the date of this letter:

(Cite appropriate address)

Failure to timely submit this documentation may result in the revocation of your enrollment pursuant to 42 CFR §424.535(a)(10).”

G. Model Language for §424.516(f)(2) Situations

The contractor shall use the model language below if it is requesting documentation from a provider or supplier furnishing the items or services addressed in § 424.516(f)(2).

“Dear Physician/Professional:

Under 42 CFR §424.516(f)(2), a physician who orders/certifies home health services and the physician - or, when permitted, other eligible professional - who orders items of DMEPOS or clinical laboratory or imaging services is required to maintain documentation for 7 years from the date of service and to provide access to that documentation pursuant to a CMS or Medicare contractor request. The documentation to be maintained includes written and electronic documents relating to written orders and certifications and requests for payments for items of DMEPOS and clinical laboratory, imaging, and home health services.

Consistent with §424.516(f)(2), please mail to us copies of the orders for items or services that you issued for the following beneficiaries on the dates specified:

(Contractors shall insert the beneficiaries’ names (up to 5 may be listed, unless CMS specifies otherwise), appropriate identification information, and the dates on which the orders were made. The contractor has the discretion to determine the cases/services that are included in this documentation request as well as the type(s) of documentation to be requested.)

The documentation must be received at the following address no later than 30 calendar days after the date of this letter:

(Cite appropriate address)

Failure to timely submit this documentation may result in the revocation of your enrollment pursuant to 42 CFR §424.535(a)(10).” (For individuals enrolled via the Form CMS-855O, the contractor shall instead use the following language: “Failure to timely submit this documentation may result in the revocation of your Form CMS-855O enrollment.”)

15.19 – Application Fees and Additional Screening Requirements
(Rev 371, Issued: 03-23-11, Effective: 03-25-11, Implementation: 03-25-11)
15.19.1 – Application Fees  
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

A. Background

Pursuant to 42 CFR §424.514 - and with the exception of physicians, non-physician practitioners, physician group practices and non-physician group practices – institutional providers that are (1) initially enrolling in Medicare, (2) adding a practice location, or (3) revalidating their enrollment information per 42 CFR §424.515 (regardless of whether the revalidation application was requested by CMS or voluntarily submitted by the provider or supplier), must submit with their application:

- An application fee in an amount prescribed by CMS, and/or
- A request for a hardship exception to the application fee.

This requirement applies to applications that the contractor receives on or after March 25, 2011.

For purposes of this requirement, the term “institutional provider,” as defined in 42 CFR §424.502, means any provider or supplier that submits a paper Medicare enrollment application using the Form CMS-855A, Form CMS-855B (not including physician and non-physician practitioner organizations), Form CMS-855S or associated Internet-based Provider Enrollment, Chain and Ownership System (PECOS) enrollment application. A physician, non-physician practitioner, physician group, or non-physician practitioner group that is enrolling as a supplier of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) via the Form CMS-855S application must submit the required application fee with its Form CMS-855S form.

B. Fee

1. Amount

The application fee must be in the amount prescribed by CMS for the calendar year (1) in which the application is submitted (for Internet-based PECOS applications) or (2) of the postmark date (for paper applications). The fee for March 25, 2011 through December 31, 2011 was $505.00. The fee for January 1, 2016 through December 31, 2016 is $554.00. Fee amounts for future years will be adjusted by the percentage change in the consumer price index (for all urban consumers) for the 12-month period ending on June 30 of the prior year. CMS will give the contractor and the public advance notice of any change in the fee amount for the coming calendar year.

2. Non-Refundable

Per 42 CFR §424.514(d)(2)(v), the application fee is non-refundable, except if it was
submitted with one of the following:

a. A hardship exception request that is subsequently approved;

b. An application that was rejected prior to the contractor’s initiation of the screening process, or

c. An application that is subsequently denied as a result of the imposition of a temporary moratorium under 42 CFR §424.570.

(For purposes of (B)(2)(b) above, the term “rejected” includes applications that are returned pursuant to section 15.8.1 of this chapter.)

In addition, the fee should be refunded if:

- It was not required for the transaction in question (e.g., the provider submitted a fee with its application to report a change in phone number).

- It was not part of an application submission.

3. Format

The provider or supplier must submit the application fee electronically through https://pecos.cms.hhs.gov/pecos/feePaymentWelcome.do, either via credit card, debit card, or check.

Also, with respect to the application fee requirement:

- The fee is based on the Form CMS-855 application submission, not on how enrollment records are created in PECOS. For instance, suppose a hospital submits an initial Form CMS-855A. In section 2A2 of the application, the hospital indicates that it has a psychiatric unit and a rehabilitation unit. Separate PECOS enrollment records must be created for each unit. However, only one application fee is required because only one Form CMS-855A application was submitted.

- A physician/non-physician practitioner clinic or group practice enrolling via the Form CMS-855B is exempt from the fee even if it is: (1) tribally-owned/operated or (2) hospital-owned. However, if a hospital is adding a physician/non-physician practitioner clinic or group practice to its Form CMS-855A enrollment, a fee is required because the hospital is adding a practice location.

C. Hardship Exception

1. Background

A provider or supplier requesting a hardship exception from the application fee must
include with its enrollment application a letter (and any supporting documentation) that describes the hardship and why the hardship justifies an exception. If a paper Form CMS-855 application is submitted, the hardship exception letter must accompany the application; if the application is submitted via Internet-based PECOS, the hardship exception letter must accompany the certification statement. Hardship exception letters shall not be considered if they were submitted separately from the application or certification statement, as applicable. If the contractor receives a hardship exception request separately from the application or certification statement, it shall: (1) return it to the provider, and (2) notify the provider via letter, e-mail or telephone that it will not be considered.

2. Criteria for Determination

The application fee generally should not represent a significant burden for an adequately capitalized provider or supplier. Hardship exceptions should not be granted when the provider simply asserts that the imposition of the application fee represents a financial hardship. The provider must instead make a strong argument to support its request, including providing comprehensive documentation (which may include, without limitation, historical cost reports, recent financial reports such as balance sheets and income statements, cash flow statements, tax returns, etc.).

Other factors that may suggest that a hardship exception is appropriate include the following:

(a) Considerable bad debt expenses,

(b) Significant amount of charity care/financial assistance furnished to patients,

(c) Presence of substantive partnerships (whereby clinical, financial integration are present) with those who furnish medical care to a disproportionately low-income population;

(d) Whether an institutional provider receives considerable amounts of funding through disproportionate share hospital payments, or

(e) Whether the provider is enrolling in a geographic area that is a Presidentially-declared disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5206 (Stafford Act).

Upon receipt of a hardship exception request with the application or certification statement, the contractor shall send the request and all documentation accompanying the request via regular mail, fax, or e-mail to its CMS Provider Enrollment & Oversight Group Business Function Lead (PEOG BFL). CMS has 60 calendar days from the date of the contractor’s receipt of the hardship exception request to determine whether it should be approved; during this period, the contractor shall not commence processing the provider’s application. CMS will communicate its decision to the provider and the
contractor via letter, after which the contractor shall carry out the applicable instructions in section 19.1(D) below.

If the provider fails to submit appropriate documentation to support its request, the contractor is not required to contact the provider to request it. The contractor can simply forward the request “as is” to its PEOG BFL. Ultimately, it is the provider’s responsibility to furnish the necessary supporting evidence at the time it submits its hardship exception request.

D. Receipt

Upon receipt of a paper application (or, if the application is submitted via Internet-based PECOS, upon receipt of a certification statement) from a provider or supplier that is otherwise required to submit an application fee, the contractor shall first determine whether the application is an initial enrollment, a revalidation, or involves the addition of a practice location. If the application does not fall within any of these categories, the contractor shall process the application as normal. If it does fall within one of these categories, the contractor shall undertake the following:

a. Determine whether the provider has: (1) paid the application fee via Pay.gov, and/or (2) included a hardship exception request with the application or certification statement.

b. If the provider:

   i. Has neither paid the fee nor submitted the hardship exception request, the contractor shall send a letter to the provider notifying it that it has 30 days from the date of the letter to pay the application fee via Pay.gov, and that failure to do so will result in the rejection of the provider’s application (for initial enrollments and new practice locations) or revocation of the provider’s Medicare billing privileges (for revalidations). The letter shall also state that because a hardship exception request was not submitted with the original application, CMS will not consider granting a hardship exception in lieu of the fee.

   During this 30-day period, the contractor shall determine whether the fee has been paid via Pay.gov. If the fee is paid within the 30-day period, the contractor may begin processing the application as normal. If the fee is not paid within the 30-day period, the contractor shall reject the application (initial enrollments and new locations) under 42 CFR §424.525(a)(3) or revoke the provider’s Medicare billing privileges under 42 CFR §424.535(a)(6) (revalidations).

   If, at any time during this 30-day period, the provider submits a Pay.gov receipt as proof of payment, the contractor shall begin processing the application as normal.
ii. Has paid the fee but has not submitted a hardship exception request, the contractor shall begin processing the application as normal.

iii. Has submitted a hardship exception request but has not paid a fee, the contractor shall send the request and all documentation accompanying the request via regular mail, fax, or e-mail to its PEOG BFL. If CMS:

a. Denies the hardship exception request, it will notify the provider in the decision letter (on which the contractor will be copied) that the application fee must be paid within 30 calendar days from the date of the letter. During this 30-day period, the contractor shall determine whether the fee has been submitted via Pay.gov. If the fee is not paid within 30 calendar days, the contractor shall deny the application (initial enrollments and new locations) pursuant to 42 CFR §424.530(a)(9) or revoke the provider’s Medicare billing privileges under 42 CFR §424.535(a)(6) (revalidations).

If, at any time during this 30-day period, the provider submits a Pay.gov receipt as proof of payment, the contractor shall begin processing the application as normal.

b. Approves the hardship exception request, it will notify the provider of such in the decision letter (on which the contractor will be copied). The contractor shall begin processing the application as normal.

iv. Has submitted a hardship exception request and has paid a fee, the contractor shall send the request and all documentation accompanying the request via regular mail, fax, or e-mail to its PEOG BFL. As the fee has been paid, the contractor shall begin processing the application as normal.

In all cases, the contractor shall not begin processing the provider’s application until: (1) the fee has been paid, or (2) the hardship exception request has been approved.

E. Year-to-Year Transition

There may be isolated instances where, at the end of a calendar year, an institutional provider pays the fee amount for that year (Year 1), yet the submission date (for Internet-based PECOS applications) or the application postmark date (for paper applications) falls in the beginning of the following year (Year 2). Assuming that Year 2’s fee is higher than Year 1’s, the provider will be required to pay the Year 2 fee. The contractor shall not begin processing the application until the entire fee amount has been paid. Accordingly, the contractor shall (1) send an e-mail to its PEOG BFL requesting a full refund of the fee and including any pertinent documentation in support of the request, and (2) send a letter to the provider notifying it that it has 30 days from the date of the letter to pay the correct fee amount (i.e., the Year 2 amount) via Pay.gov, and that failure to do so will result in the rejection of the provider’s application (for initial enrollments and new practice locations) or revocation of the provider’s Medicare.
billing privileges (for revalidations). The letter shall also state that because a hardship exception request was not submitted with the original application, CMS will not consider granting a hardship exception in lieu of the fee.

During this 30-day period, the contractor shall determine whether the correct fee has been paid via Pay.gov. If it has been, the contractor may begin processing the application as normal. If it is not paid within the 30-day period, the contractor shall reject the application (initial enrollments and new locations) under 42 CFR §424.525(a)(3) or revoke the provider’s Medicare billing privileges under 42 CFR §424.535(a)(6) (revalidations).

If, at any time during this 30-day period, the provider submits a Pay.gov receipt as proof that the correct fee amount (i.e., the Year 2 amount) has been paid, the contractor shall begin processing the application as normal.

F. **Appeals of Hardship Determinations**

A provider may appeal CMS’ denial of its hardship exception request via the procedures outlined below:

1. If the provider is dissatisfied with CMS’ decision to deny a hardship exception request, it may file a written reconsideration request with CMS within 60 calendar days from receipt of the notice of initial determination (e.g., CMS’ denial letter). The request must be signed by the individual provider or supplier, a legal representative, or any authorized official within the entity. Failure to file a reconsideration request within this timeframe is deemed a waiver of all rights to further administrative review.

The reconsideration request should be mailed to:

    Centers for Medicare & Medicaid Services  
    Center for Program Integrity  
    Provider Enrollment & Oversight Group  
    7500 Security Boulevard  
    Mailstop: AR-18-50  
    Baltimore, MD 21244-1850

Notwithstanding the filing of a reconsideration request, the contractor shall still carry out the post-hardship exception request instructions in subsections (D)(b)(iii)(a) and (iv) above, as applicable. A reconsideration request, in other words, does not stay the execution of the instructions in section 19.1(D) above.

CMS has 60 calendar days from the date of the reconsideration request to render a decision. The reconsideration shall be:

    (a) Conducted by a CMS staff person who was independent from the initial decision to deny the hardship exception request.
(b) Based on CMS’ review of the original letter and documentation submitted by the provider.

Upon receipt of the reconsideration, CMS will send a letter to the provider or supplier to acknowledge receipt of its request. In its acknowledgment letter, CMS will advise the requesting party that the reconsideration will be conducted and a determination issued within 60 days from the date of the request.

If CMS denies the reconsideration, it will notify the provider of this via letter, with a copy to the contractor. If CMS approves the reconsideration request, it will notify the provider of this via letter, with a copy to the contractor, after which the contractor shall process the application as normal, or, to the extent applicable:

i. If the application has already been rejected, request that the provider resubmit the application without the fee, or

ii. If Medicare billing privileges have already been revoked, reinstate said billing privileges in accordance with existing instructions and request that the provider resubmit the application without the fee.

Corrective Action Plans (CAPs) may not be submitted in lieu of or in addition to a request for reconsideration of a hardship exception request denial.

2. If the provider is dissatisfied with the reconsideration determination regarding the application fee, it may request a hearing before an Administrative Law Judge (ALJ). Such an appeal must be filed, in writing, within 60 days from receipt of the reconsideration decision. ALJ requests should be sent to:

   Department of Health and Human Services
   Departmental Appeals Board (DAB)
   Civil Remedies Division, Mail Stop 6132
   330 Independence Avenue, S.W.
   Cohen Bldg, Room G-644
   Washington, D.C. 20201
   ATTN: CMS Enrollment Appeal

Failure to timely request an ALJ hearing is deemed a waiver of all rights to further administrative review.

If the ALJ reverses PEOG’s reconsideration decision and approves the hardship exception request, and the application has already been rejected, the contractor – once PEOG informs it of the ALJ’s decision - shall notify the provider via letter, e-mail or telephone that it may resubmit the application without the fee. If the provider’s Medicare billing privileges have already been revoked, the contractor shall reinstate said billing privileges in accordance with existing instructions and request that the
provider resubmit the application without the fee.

3. If the provider is dissatisfied with the ALJ’s decision, it may request Board review by the Departmental Appeals Board (DAB). Such request must be filed within 60 days after the date of receipt of the ALJ’s decision. Failure to timely request a review by the DAB is deemed a waiver of all rights to further administrative review.

If the DAB reverses the ALJ’s decision and approves the hardship exception request, and the application has already been rejected, the contractor - once PEOG informs it of the DAB’s decision - shall notify the provider via letter, e-mail or telephone that it may resubmit the application without the fee. If the provider’s Medicare billing privileges have already been revoked, the contractor shall reinstate said billing privileges in accordance with existing instructions and request that the provider resubmit the application without the fee.

To the extent permitted by law, a provider or supplier dissatisfied with a DAB decision may seek judicial review by timely filing a civil action in a United States District Court. Such request shall be filed within 60 days from receipt of the notice of the DAB’s decision.

G. Miscellaneous

The contractor shall abide by the following:

1. Paper Checks Submitted Outside of Pay.gov – As stated earlier, all payments must be made via Pay.gov. Should the provider submit an application with a paper check or any other hard copy form of payment (e.g., money order), the contractor shall not deposit the instrument. It shall instead treat the situation as a non-submission of the fee and follow the instructions in (D)(b)(i) or (iii) above (depending on whether a hardship exception request was submitted). When sending the applicable letter requesting payment within 30 days, the contractor shall explain that all payments must be made via Pay.gov, stamp the submitted paper check "VOID," and include the voided paper check with the letter.

2. Practice Locations – DMEPOS suppliers, federally qualified health centers (FQHCs), and independent diagnostic testing facilities (IDTFs) must individually enroll each site. Consequently, the enrollment of each site requires a separate fee. For all other providers and suppliers (except physicians, non-physician practitioners, and physician and non-physician practitioner groups, none of which are required to submit the fee), a fee must accompany any application that adds a practice location. (This includes the addition of a hospital unit – such as a psychiatric unit – in section 4 of the Form CMS-855A.) If multiple locations are being added on a single application, however, only one fee is required. The fee for providers and suppliers other than DMEPOS suppliers, FQHCs, and IDTFs is based on the application submission, not the number of locations being added on a single application.
3. Other Application Submissions – A provider or supplier need not pay an application fee if the application is:

- Reporting a change of ownership via the Form CMS-855B or Form CMS-855S. (For providers and suppliers reporting a change of ownership via the Form CMS-855A, the ownership change does not necessitate an application fee if the change does not require the provider or supplier to enroll as a new provider or supplier.)

- Reporting a change in tax identification number (whether Part A, Part B, or DMEPOS).

- Requesting a reactivation of the provider’s Medicare billing privileges unless the provider had been deactivated for failing to respond to a revalidation request, in which case the resubmitted application constitutes a revalidation (not a reactivation) application, hence requiring a fee.

- Changing the physical location of an existing practice location (as opposed to reporting an additional/new practice location).

The application fee requirement is separate and distinct from the site visit requirement and risk categories discussed below. Physicians, non-physician practitioners, physician groups and non-physician practitioner groups are exempt from the application fee even if they fall within the “high” level of categorical screening per section 15.19.2.5 of this chapter. Similarly, physical therapists enrolling as individuals or group practices need not pay an application fee even though they fall within the “moderate” level of categorical screening and are subject to a site visit.

4. Non-Payment of the Fee - If the application is rejected or denied due to non-payment of the fee, the contractor shall:

- Enter the application into PECOS, with the receipt date being the date on which the contractor received the application in its mailroom.

- Indicate in PECOS that a developmental request was made.

- Switch the enrollment record to a “denied” or “rejected” status (as applicable) per section 15.19.1(D).

- Notify the applicant of the rejection or denial in accordance with section 15.19.1(D).

5. Refund Requests – Unless otherwise approved by CMS, the provider must request a refund no later than 150 days from the date it submitted its application. In its request, the provider shall include documentation acceptable to process the refund request. For
credit card refunds, the provider shall include its Pay.gov receipt or the Pay.gov tracking ID number; if the fee was paid via ACH Debit, a W-9 is required.

15.19.2 – Screening Categories
(Rev. 371, Issued: 03-23-11, Effective: 03-25-11, Implementation: 03-25-11)

15.19.2.1 – Background
(Rev. 556, Issued: 11-26-14, Effective: 12-29-14, Implementation: 12-29-14)

Consistent with 42 CFR § 424.518, newly-enrolling and existing providers and suppliers will, beginning on March 25, 2011, be placed into one of three levels of categorical screening: limited, moderate, or high. The risk levels denote the level of the contractor’s screening of the provider when it initially enrolls in Medicare, adds a new practice location, or revalidates its enrollment information.

A. Limited

The “limited” level of categorical screening consists of the following provider and supplier types:

- Physicians
- Non-physician practitioners other than physical therapists
- Physician group practices
- Non-physician group practices other than physical therapist group practices
- Ambulatory surgical centers
- Competitive Acquisition Program/Part B Vendors
- End-stage renal disease facilities
- Federally qualified health centers
- Histocompatibility laboratories
- Hospitals (including critical access hospitals, Department of Veterans Affairs hospitals, and other federally-owned hospital facilities.
- Health programs operated by an Indian Health Program (as defined in section 4(12) of the Indian Health Care Improvement Act) or an urban Indian organization (as defined in section 4(29) of the Indian Health Care Improvement Act) that receives funding from the Indian Health Service pursuant to Title V of the Indian Health Care Improvement Act
- Mammography screening centers
- Mass immunization roster billers
- Organ procurement organizations
- Outpatient physical therapy/outpatient speech pathology providers enrolling via the Form CMS-855A
- Pharmacies that are newly enrolling or revalidating via the Form CMS-855B application
- Radiation therapy centers
- Religious non-medical health care institutions
- Rural health clinics
- Skilled nursing facilities

For providers and suppliers in the “limited” category, the contractor shall (unless section 15.19.2.5 of this chapter applies) process initial, revalidation, and new location applications in accordance with existing instructions.

B. Moderate

The “moderate” level of categorical screening consists of the following provider and supplier types:

- Ambulance service suppliers
- Community mental health centers (CMHCs)
- Comprehensive outpatient rehabilitation facilities (CORFs)
- Hospice organizations
- Independent clinical laboratories
- Independent diagnostic testing facilities
- Physical therapists enrolling as individuals or as group practices
- Portable x-ray suppliers (PXRSs)
- Revalidating home health agencies (HHAs)
- Revalidating DMEPOS suppliers

For providers and suppliers in the “moderate” level of categorical screening, the contractor shall (unless section 15.19.2.2 of this chapter or another CMS directive applies):

1. Process initial, revalidation, and new location applications in accordance with existing instructions; and

2. Except for revalidating DMEPOS suppliers, order a site visit through the Provider Enrollment, Chain and Ownership System (PECOS) in accordance with sections 2(a) through (e) below. The site visit, which the National Site Visit Contractor (NVSC) will perform, is to ensure that the supplier is in compliance with CMS’s enrollment requirements. Unless stated otherwise in this chapter, the scope of the site visit will be consistent with section 15.19.2.2.

   a. Ambulance suppliers, independent clinical laboratories, physical therapists, and
physical therapist groups

- **Initial application** – If the supplier submits an initial application, the contractor shall order a site visit. The contractor shall not convey Medicare billing privileges to the supplier prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

- **Revalidation** – If the supplier submits a revalidation application, the contractor shall order a site visit. The contractor shall not make a final decision regarding the application prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

- **New location** - The contractor shall order a site visit of the location. The contractor shall not make a final decision regarding the application prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

b. CMHCs

- **Initial application** - In addition to the site visit discussed in section 15.4.1.1(B)(1) of this chapter, the contractor shall order a site visit after the contractor receives the tie-in notice (or approval letter) from the RO but before the contractor conveys Medicare billing privileges to the CMHC. The contractor shall not convey Medicare billing privileges to the provider prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

- **Revalidation** - If the CMHC submits a revalidation application, the contractor shall order a site visit. The contractor shall not make a final decision regarding the application prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

- **New location** - The contractor shall order a site visit of the location after the contractor receives notice of approval from the RO but before the contractor switches the provider’s enrollment record to “Approved.” The contractor shall not switch the provider’s enrollment record to “Approved” prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

c. CORFs, hospices and PXRSs

- **Initial application** – If the provider/supplier submits an initial application, the contractor shall order a site visit after the contractor receives the tie-in notice (or approval letter) from the RO but before the contractor conveys Medicare billing privileges to the provider/supplier. The contractor shall not convey Medicare billing privileges to the provider/supplier prior to the
completion of the NSVC’s site visit and the contractor’s review of the results.

• **Revalidation** – If the provider/supplier submits a revalidation application, the contractor shall order a site visit. The contractor shall not make a final decision regarding the application prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

• **New location** - The contractor shall order a site visit of the location after the contractor receives notice of approval from the RO but before the contractor switches the provider/supplier’s enrollment record to “Approved.” The contractor shall not switch the provider/supplier’s enrollment record to “Approved” prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

d. **IDTFs**

• **Initial applications** – The NSVC will conduct site visits of initially enrolling IDTFs consistent with section 15.4.19.6 of this chapter.

• **Revalidations** - The NVSC will conduct site visits of revalidating IDTFs (prior to the contractor’s final decision regarding the revalidation application) consistent with section 15.4.19.6 of this chapter.

• **Code Changes** – The NSVC will conduct site visits for IDTF code changes as specified in section 15.4.19.6(B) of this chapter.

e. **Revalidating HHAs** – If an HHA submits a revalidation application, the contractor shall order a site visit. The contractor shall not make a final decision regarding the revalidation application prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

f. **Revalidating DMEPOS suppliers** – The National Supplier Clearinghouse (NSC) shall conduct a site visit of the DMEPOS supplier prior to making a final decision regarding the revalidation application.

C. **High**

The “high” level of categorical screening consists of the following provider and supplier types:

• Newly enrolling DMEPOS suppliers
• Newly enrolling HHAs (including HHAs that must submit an initial enrollment application pursuant to § 424.550(b)(1))

For providers and suppliers in the “high” level of categorical screening:
1. The contractor shall process the application in accordance with existing instructions; and

2. The NSVC will perform a site visit for newly enrolling HHAs. (The NSC will perform a site visit for newly enrolling DMEPOS suppliers.) For initially enrolling HHAs, the contractor shall order a site visit via PECOS after the contractor receives the tie-in notice or approval letter from the RO but before the contractor switches the provider’s enrollment record to “Approved.” The contractor shall not switch the provider’s enrollment record to “Approved” prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

NOTE:

- Enrolled DMEPOS suppliers that are adding another location will be classified as “high” for screening purposes. (See section 15.19.2.3 below for information regarding DMEPOS changes of ownership and tax identification number (TIN) changes.)

- Newly-enrolling HHA sub-units fall within the “high” level of categorical screening.

- The addition of a new HHA branch falls within the “moderate” level of categorical screening. The contractor shall order a site visit of the location through PECOS after the contractor receives notice of approval from the RO but before the contractor switches the provider’s enrollment record to “Approved.” This is to ensure that the provider is in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2(B) of this chapter. The National Site Visit Contractor (NSVC) will perform the site visit. The contractor shall not switch the provider’s enrollment record to “Approved” prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

This is the only site visit of the new HHA branch that must be performed prior to the record being switched to “Approved.”

15.19.2.2 - Scope of Site Visit
(Rev. 414, Issued: 04-06-12, Effective: 05-07-12, Implementation: 05-07-12)

A. DMEPOS Suppliers and IDTFs

The scope of site visits of DMEPOS suppliers and IDTFs shall continue to be conducted in accordance with existing CMS instructions and guidance.

B. Other Provider and Supplier Types
For all provider and supplier types – other than DMEPOS suppliers and IDTFs – that are subject to a site visit in accordance with this section, the SVC will perform such visits consistent with the procedures outlined in sections 20 and 20.1 of this chapter. This includes the following:

- Documenting the date and time of the visit, and including the name of the individual attempting the visit;
- Photographing the provider or supplier’s business for inclusion in the provider/supplier’s file. All photographs will be date/time stamped;
- Fully documenting observations made at the facility, which could include facts such as: (a) the facility was vacant and free of all furniture; (b) a notice of eviction or similar documentation is posted at the facility, and (c) the space is now occupied by another company;
- Writing a report of the findings regarding each site verification; and
- Including a signed declaration stating the facts and verifying the completion of the site verification. (The sample declaration identified in section 20.1 of this chapter is recommended.)

In terms of the extent of the visit, the SVC will determine whether the following criteria are met:

- The facility is open
- Personnel are at the facility
- Customers are at the facility (if applicable to that provider or supplier type)
- The facility appears to be operational

This will require the site visitor(s) to enter the provider or supplier’s practice location/site, rather than simply conducting an external review.

If any of the 4 elements listed above are not met, the enrollment contractor will, as applicable - and using the procedures outlined in this chapter and in existing CMS instructions - deny the provider’s enrollment application pursuant to §424.530(a)(5)(i) or (ii), or revoke the provider’s Medicare billing privileges under §424.535(a)(5)(i) or (ii).

15.19.2.3 – Changes of Information and Ownership
(Rev. 414, Issued: 04-06-12, Effective: 05-07-12, Implementation: 05-07-12)
A. Limited

Changes of information (including additions of practice locations) submitted by providers and suppliers in the “limited” level of categorical screening shall be processed in accordance with existing instructions.

B. Moderate and High

Unless otherwise specified in this chapter or in another CMS directive, this section 15.19.2.3(B) applies to providers and suppliers in the “moderate” or “high” level of categorical screening.

1. Addition of Practice Location

With the exception of suppliers of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS), if a provider or supplier submits a Form CMS-855 request to add a practice location (including a home health agency (HHA) branch):

- The contractor shall process the application in accordance with existing instructions, and
- A site visit shall be performed consistent with section 15.19.2.1 above.

(As explained earlier, a DMEPOS supplier that is adding a new practice location falls within the “high” screening category.)

2. Change of Location

a. DMEPOS Suppliers

If a DMEPOS supplier reports a change in the physical location of an existing practice location, the National Supplier Clearinghouse shall perform a site visit in accordance with existing instructions.

b. Non-DMEPOS Suppliers

If a provider or non-DMEPOS supplier reports a change in the physical location of an existing practice location, the contractor shall order a site visit through the Provider Enrollment, Chain and Ownership System (PECOS) in accordance with the following:

i. Ambulance service suppliers, independent clinical laboratories, independent diagnostic testing facilities, physical therapists enrolling as individuals or group practices – The contractor shall order a site visit of the changed location prior to the contractor’s final decision regarding the application. This is to ensure that the location is in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2 of this chapter. The National
Site Visit Contractor (NSVC) will perform the site visit. The contractor shall not make its final decision regarding the application prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

ii. Community mental health centers, comprehensive outpatient rehabilitation facilities, hospices, portable x-ray suppliers, HHAs - The contractor shall order a site visit of the changed location after the contractor receives notice of approval from the RO but before the contractor switches the provider/supplier’s enrollment record to “Approved.” This is to ensure that the location is in compliance with CMS’s enrollment requirements. The scope of the site visit will be consistent with section 15.19.2.2 of this chapter. The NSVC will perform the site visit. The contractor shall not switch the provider’s enrollment record to “Approved” prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

For purposes of this requirement:

- A change of location includes situations in which the provider/supplier is switching suite numbers or floors within a building. A site visit is required.

- If the provider/supplier’s physical location is not changing (e.g., the provider’s street name is changing but its actual office space is not), no site visit is required.

3. Change of Ownership

With the exception of DMEPOS suppliers and HHAs, if a provider or supplier undergoes a change of ownership resulting in a new tax identification number (TIN), the contractor shall:

(1) Process the application in accordance with existing instructions, and

(2) Order a site visit through PECOS in accordance with the following:

- For ownership changes that must be approved by the RO under current CMS instructions, the site visit shall be ordered and performed after the contractor receives notice of approval from the RO but before the contractor switches the provider/supplier’s enrollment record to an “Approved” status. The contractor shall not switch the provider/supplier’s enrollment record to “Approved” prior to the completion of the NSVC’s site visit and the contractor’s review of the results.

- For ownership changes that do not require RO approval under current CMS instructions, the site visit shall be ordered and performed prior to the contractor’s final decision regarding the application.
A DMEPOS supplier that is:

- Undergoing a change of ownership with a change in TIN falls within the “high” screening category.
- Undergoing a change of ownership with no change in TIN falls within the “moderate” screening category.
- Undergoing a change in TIN with no change in ownership falls within the “moderate screening category.

With respect to HHAs:

- For HHAs undergoing a change in majority ownership, the contractor shall – consistent with section 15.26.1 of this chapter – determine whether the provisions of 42 CFR §424.550(b)(1) and (2) apply. If the contractor determines that a change in majority ownership has occurred and that none of the exceptions in §424.550(b)(2) apply, the HHA must enroll as a new entity, in which case the newly-enrolling HHA will be placed into the “high” level of categorical screening. If the contractor determines that an exception does apply, the transaction will be subject to the “moderate” level of categorical screening; a site visit will be necessary.

In addition, if: (1) the contractor determines that one of the exceptions to the 36-month rule applies, and (2) the ownership change is one that requires a recommendation for approval to the RO, the contractor shall ensure that its recommendation letter specifies:

- That the transaction qualifies as a change in majority ownership
- The particular exception that applies.

- For HHAs reporting an ownership change that is not a change in majority ownership as that term is defined in §424.502, the contractor shall process the change in accordance with existing instructions. A site visit is not necessary.

- For HHAs seeking to reactivate their Medicare billing privileges, the transaction shall be processed under the “moderate” level of categorical screening. A site visit will be necessary prior to the reactivation of the provider’s billing privileges.

4. All Other Changes of Information

All other changes of information for providers and suppliers in the moderate or high level of categorical screening shall be processed in accordance with existing instructions.
15.19.2.4 – Reactivations  
(Rev. 474, Issued: 07-05-13, Effective: 10-08-13, Implementation: 10-08-13)

A. Form CMS-855 Reactivations

1. Limited

Form CMS-855 reactivation applications submitted by providers and suppliers in the “limited” level of categorical screening shall be processed in accordance with existing instructions.

2. Moderate

Form CMS-855 reactivation applications submitted by providers and suppliers in the “moderate” level of categorical screening – including existing home health agencies and suppliers of durable medical equipment, prosthetics, orthotics and suppliers (DMEPOS) – shall be processed in accordance with the screening procedures for this category. A site visit will therefore be necessary prior to the contractor’s final decision regarding the application.

3. High

Form CMS-855 reactivation applications submitted by providers and suppliers in the “high” level of categorical screening shall be processed in accordance with the screening procedures for this category. A site visit will therefore be necessary prior to the contractor’s final decision regarding the application.

B. Reactivation Certification Packages (RCPs)

For RCPs (as described in sections 15.27.1.2.1 and 15.27.1.2.2 of this chapter), a site visit is required if the provider is in the moderate or high screening category. A site visit is not required if the provider is in the limited screening category.

15.19.2.5 – Movement of Providers and Suppliers into the High Level  
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

Under §424.518(c)(3), CMS may adjust a particular provider or supplier’s screening level from “limited” or “moderate” to “high” if any of the following occur:

1. CMS imposes a payment suspension on a provider or supplier at any time within the last 10 years;

2. The provider or supplier:
   a. Has been excluded from Medicare by the Office of Inspector General; or
b. Had its billing privileges revoked by a Medicare contractor within the previous 10 years and is attempting to establish additional Medicare billing privileges by:

- Enrolling as a new provider or supplier; or
- Obtaining billing privileges for a new practice location

c. Has been terminated or is otherwise precluded from billing Medicaid
d. Has been excluded from any Federal health care program
e. Has been subject to any final adverse action (as defined in §424.502) within the previous 10 years.

3. CMS lifts a temporary moratorium for a particular provider or supplier type, and a provider or supplier that was prevented from enrolling based on the moratorium applies for enrollment as a Medicare provider or supplier at any time within 6 months from the date the moratorium was lifted.

CMS makes available to the contractor on a bi-monthly basis a list of current and former Medicare providers and suppliers within the contractor’s jurisdiction that meet any of the criteria in subsection (1) or (2) above. Upon receipt of an initial or revalidation application from a provider or supplier that otherwise falls within the limited or moderate screening category (and after the appropriate fee has been paid, etc.), the contractor shall determine whether the provider or supplier is on the bi-monthly “high” screening list. If the provider or supplier is not on said list, the contractor shall process the application in accordance with existing instructions. If the provider or supplier is on the list, the contractor shall process the application using the procedures in the “high” screening category unless the provider is on the list solely because he/she/it was revoked for failing to timely respond to a revalidation request. If such is the case, the contractor shall contact its CMS Provider Enrollment & Oversight Group Business Function Lead for guidance as to how the situation should be handled.

With respect to subsection (3) above, if the contractor receives an initial or new location application from a provider or supplier: (a) that is of a provider or supplier type that was subject to a moratorium and (b) within 6 months after the applicable moratorium was lifted, the contractor shall process the application using the procedures in the “high” screening category.

15.19.3 – Temporary Moratoria
(Rev. 514, Issued: 05-02-14; Effective: 06-03-14; Implementation: 06-03-14)

Under §424.570(a), CMS may impose a moratorium on the enrollment of new Medicare providers and suppliers of a particular type or the establishment of new practice locations of a particular type in a particular geographic area. The announcement of a moratorium will be made via the Federal Register, though the contractor will be
separately notified of the moratorium.

The contractor shall abide by all CMS directives and instructions issued pursuant to the imposition or lifting of a particular moratorium.

15.19.4 – Tracking
(Rev. 371, Issued: 03-23-11, Effective: 03-25-11, Implementation: 03-25-11)

In April 2011, PEOG will send to each contractor an Excel spreadsheet that the contractor shall complete and submit to its PEOG liaison via e-mail no later than the 15th day of each month. The first report will be due on May 15, 2011. The spreadsheet will contain data elements such as, but not limited to:

- Number of enrolled providers and suppliers in each risk category, broken down by provider/supplier sub-type (e.g., hospital, HHA)
- Amount of fees collected (i.e., fees that were cleared), broken down by provider and supplier type

15.20 – On-site Inspections and Site Verifications
(Rev. 424, Issued: 06-13-12, Effective: 06-19-12, Implementation: 06-19-12)

The contractor shall not conduct site verifications to determine if a provider or supplier (including physicians and non-physician practitioners) is operational unless CMS: (1) has already issued formal guidance to do so, or (2) issues instructions directing the contractor to conduct a pre-enrollment or post-enrollment site verification.

15.20.1 - Site Verifications

(Unless otherwise stated in this chapter or in another CMS directive, this section 15.20.1 only applies to site visits/verifications that are not performed pursuant to sections 15.19.2.1 through 15.19.2.4 of this chapter.)

A. Background

1. Operational Status

When conducting a site verification to determine whether a practice location is operational, the contractor shall make every effort to limit its site verification to an external review of the practice location. If the contractor cannot determine whether the practice location is operational based on an external review of the location, the contractor shall conduct an unobtrusive site verification by limiting its encounter with provider or supplier personnel or medical patients.

2. Determining Whether the Provider or Supplier Meets Regulatory Requirements for
Its Provider or Supplier Type

When conducting a site verification to determine whether a provider or supplier continues to meet the regulatory provisions for its provider or supplier type, the contractor shall conduct its site verification in a manner which limits the disruption for the provider or supplier.

B. Timing

Site verifications should be done Monday through Friday (excluding holidays) during their posted business hours. If there are no hours posted, the site verification should occur between 9 a.m. and 5 p.m. If, during the first attempt, there are obvious signs that facility is no longer operational no second attempt is required. If, on the first attempt the facility is closed but there are no obvious indications the facility is non-operational, a second attempt on a different day during posted hours of operation should be made.

C. Documentation

When conducting site verifications to determine whether a practice location is operational, the contractor shall:

- Document the date and time of the attempted visit and include the name of the individual attempting the visit;

- As appropriate, photograph the provider or supplier’s business for inclusion in the provider or supplier’s file on an as needed basis. All photographs should be date/time stamped;

- Fully document all observations made at the facility (e.g., the facility was vacant and free of all furniture, a notice of eviction or similar documentation was posted at the facility, the space is now occupied by another company); and

- Write a report of its findings regarding each site verification.

D. Signed Declaration

The contractor shall also include a signed declaration stating the facts and verifying the completion of the site verification. (A sample declaration is below and may be revised as necessary.) As a reminder, this declaration is only necessary for MAC-performed site visits.

Declaration of (Name of Inspector/Investigator)

In the Case of _______________
Provider/Supplier No. ___________

I, (Name of Inspector/Investigator), declare as follows:
1. I have personal knowledge of each of the following matters in this Declaration except to those facts alleged on information and belief, and as to those matters, I believe them to be true. I am competent to testify to the following:

2. I am an Investigator for [Insert Contractor Name]. [Insert Contractor Name] is a CMS-contracted [Intermediary/Carrier/A/B Medicare Administrative Contractor (MAC)].

3. I have been trained as an Investigator and Site Inspector by [Insert Contractor Name], and I am knowledgeable of Medicare’s compliance statutes, regulations and standards for suppliers enrolled in the Medicare program. I have worked in this capacity for [Insert years] years. During this period, I have conducted over [Insert Number] site inspections of the offices and facilities of providers/suppliers; and since January [Year in which case occurs], I have conducted over [Insert Number] site inspections related to the compliance of suppliers with Medicare’s requirements.

4. I prepared the attached document entitled “[Title of Document],” which is the report of my attempts to inspect Petitioner’s facility. This report is a true and accurate account of the events that occurred and transpired on the dates described therein. I am capable and willing to testify at a hearing about the content of this report.

5. The foregoing information is based on my personal knowledge or is information provided to me in my official capacity. I declare under penalty of perjury that this information is true and correct to the best of my knowledge and belief.

Executed this _(Date)_ day of _(Month) (Year)_ in _(City), _(State)_.

___________________________
SIGNATURE OF DECLARANT

E. Determination

If a provider or supplier is determined not to be operational or not to be in compliance with the regulatory requirements for its provider/supplier type, the contractor shall revoke the Medicare billing privileges of the provider or supplier - unless the provider or supplier has submitted a change that notified the contractor of a change in practice location. Within 7 calendar days of CMS or the Medicare contractor determining that the provider or supplier is not operational, the Medicare contractor shall update PECOS or the applicable claims processing system (if the provider does not have an enrollment record in PECOS) to revoke billing Medicare billing privileges and issue a revocation notice to the provider or supplier. The Medicare contractor shall afford the provider or supplier applicable appeal rights in the revocation notification letter.

For non-operational status revocations, the contractor shall use either 42 CFR §424.535(a)(5)(i) or 42 CFR §424.535(a)(5)(ii) as the legal basis for revocation.
Consistent with 42 CFR §424.535(g), the date of revocation is the date on which CMS or the contractor determines that the provider or supplier is no longer operational. The Medicare contractor shall establish a 2-year enrollment bar for suppliers that are not operational.

For regulatory non-compliance revocations, the contractor shall use 42 CFR §424.535(a)(1) as the legal basis for revocation. Consistent with 42 CFR §424.535(g), the date of revocation is the date on which CMS or the contractor determines that the provider or supplier is no longer in compliance with regulatory provisions for their provider or supplier type. The Medicare contractor shall establish a 2-year enrollment bar for the providers and suppliers that are not in compliance with provisions for their enrolled provider or supplier type.

**15.20.2 - Reserved for Future Use**  
(Rev. 424, Issued: 06-13-12, Effective: 06-19-12, Implementation: 06-19-12)

**15.20.3 - National Supplier Clearinghouse (NSC)**  
(Rev. 424, Issued: 06-13-12, Effective: 06-19-12, Implementation: 06-19-12)

The (NSC) shall continue to conduct onsite inspections consistent with its Statement of Work and any instructions issued by the NSC project officer.

**15.21 – Special Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Instructions**  
(Rev. 430, 09-28-12, Effective: 10-29-12, Implementation: 10-29-12)

Sections 15.21.1 through 15.27.1 instruct the National Supplier Clearinghouse on the appropriate handling of certain situations involving DMEPOS suppliers.

**15.21.1 – DMEPOS Supplier Accreditation**  
(Rev. 430, 09-28-12, Effective: 10-29-12, Implementation: 10-29-12)

**A. General Requirement**

DMEPOS suppliers must be accredited prior to submitting an application to the National Supplier Clearinghouse (NSC). The NSC shall not approve any DMEPOS supplier's enrollment application if the enrollment package does not contain an approved accreditation upon receipt or in response to a developmental request. The NSC may reject an enrollment application if the DMEPOS supplier fails to provide supporting documentation that demonstrates that the supplier has an approved accreditation.

The NSC shall revoke an enrolled DMEPOS supplier’s billing privileges if the DMEPOS supplier fails to: (1) obtain and submit supporting documentation that the DMEPOS supplier has been accredited, or (2) maintain its required accreditation.
B. Exemptions

Individual medical practitioners, inclusive of group practices of same, do not require accreditation as a condition of enrollment. The practitioner types are those specifically stated in Sections 1848(K)(3)(B) and 1842(b)(18)(C) of the Social Security Act. In addition, the practitioner categories of physicians, orthotists, prosthetists, optometrists, opticians, audiologists, occupational therapists, physical therapists and suppliers who provide drugs and pharmaceuticals (only) do not require accreditation as a condition of enrollment.

Although suppliers that provide only drugs and pharmaceuticals are exempt from the accreditation requirement, suppliers that provide equipment to administer drugs or pharmaceuticals must be accredited.

C. Special Situations

1. Changes of Ownership

   a. A change of ownership application for an existing supplier location submitted by a new owner company with a new tax identification number (TIN) shall be rejected (consistent with 42 CFR § 424.525) if the new owner does not have an accreditation that covers all of its locations. If the old owner has such an accreditation, the new owner can be enrolled as of the date of sale if the accreditor determines that the accreditation should remain in effect as of the date of sale. (This, however, is only applicable when the new owner also meets all other enrollment criteria found at 42 CFR §424.57). If the new owner submits an application without evidence that the accreditation is still in effect for the new owner, the application should be rejected.

   b. Some ownership changes do not result in a complete change of ownership, since the business entity remains the same with no change in TIN. However, in cases where more than 5 percent of the ownership has changed, the following principles apply:

      - If the change in ownership has not been reported to the NSC within the required 30-day period, the NSC shall proceed with revocation action.

      - If the change has been received within the required 30-day period and the supplier has been accredited, the NSC shall immediately notify the accreditor of the ownership change and request that the latter advise the NSC if the accreditation should still remain in effect.

   c. A non-exempt DMEPOS supplier requesting reactivation after a deactivation (regardless of the deactivation reason) is required to be accredited.

A revoked DMEPOS supplier that has submitted an acceptable corrective action plan can be reinstated without accreditation unless the accreditation was already required prior to revocation.
The National Supplier Clearinghouse (NSC) shall not require that a pharmacy be accredited as a condition of enrollment before January 1, 2011.

The NSC-Medicare Administrative Contractor (MAC) shall determine which enrolled suppliers are pharmacies that are not accredited and who will be enrolled for 5 calendar years prior to January 1 of the next calendar year. The NSC-MAC shall then send a notice of revocation by January 10, 2011, to all enrolled pharmacies that are not accredited and who will not be enrolled for 5 calendar years as of January 1, 2011.

The NSC-MAC shall prepare a letter which enables all individually enrolled practice locations of pharmacies who have been enrolled for 5 calendar years prior to January 1, 2011, to attest that they are exempt from the requirement to be accredited because their total durable medical equipment, prosthetics orthotics and supplies (DMEPOS) billings subject to accreditation are less than 5 percent of their total pharmacy sales, as determined based upon the total pharmacy sales of the pharmacy for the previous 3 calendar or fiscal years. The letter shall cite that the attestation requires the signature of the authorized or delegated official of the entity. The authorized and delegated officials are defined in Section 15, of the Medicare Enrollment Application (CMS-855S), and as described in the internet enrollment application version of the Provider Enrollment, Chain and Ownership System (PECOS). Before mailing the letters, the NSC-MAC shall obtain NSC project officer approval of the letter. The mailing shall be in the form of an endorsement letter with an enclosed stamped self addressed envelope. The mailing should be performed between October 1, 2010 and October 31, 2010. For pharmacies with more than one practice location, the letters shall cite the need for each individually enrolled practice location to attest that they are exempt from the accreditation requirements. New locations of enrolled chain pharmacies shall not be considered to have been enrolled for 5 calendar years. Pharmacies that have had a change of ownership in the prior 5 years which resulted in a change in their legal business entity, including a change in their tax identification number (TIN), shall not qualify for an attestation accreditation exemption and therefore shall not be sent the attestation letter.

The NSC-MAC shall review the attestations received from pharmacies. Pharmacies that properly signed the attestation letter shall be given an accreditation status of exempt. The NSC shall make attempts to assist and follow-up with pharmacy suppliers that have not submitted or properly completed their attestations. The NSC-MAC shall send a notice of revocation by January 10, 2011, to all enrolled pharmacies who were sent an attestation letter and have not properly completed it as of the date of the notice of revocation. The notice of revocation shall cite that the revocation is for a lack of required accreditation.

Between April 1, 2011 and April 30, 2011, the NSC-MAC shall compile a sample listing of at least 10 percent of the pharmacies that have submitted an NSC accepted
attestation exempting them from accreditation. The NSC-MAC shall develop a letter to be sent to pharmacies that will be audited to determine if their accreditation exemption attestations are correct. The letter shall request submission of evidence substantiating that the validity of the pharmacy supplier’s attestation. At a minimum, requested materials for this evidence shall include a certification by an accountant on behalf of the pharmacy or the submission of tax returns filed by the pharmacy during the relevant periods. The NSC-MAC shall obtain NSC project officer approval of the letter. Within 45 days after project officer approval of the letter the NSC-MAC shall mail a copy of the letter to the random sample of pharmacies which claimed exemption through an attestation. The NSC-MAC shall determine the acceptability of the replies received in response to the audit verification random sample mailing. The NSC shall use DMEPOS billing data for only products and services requiring accreditation to assist in the determination. The NSC shall make attempts to assist and follow-up with pharmacy suppliers that have not submitted or properly completed their audit verifications. The NSC-MAC shall consult with the NSC project officer in cases where they are uncertain as to the acceptability of the supplier’s response to the audit request. By June 30, 2011, the NSC-MAC shall send a notice of revocation to all enrolled pharmacies that were sent an audit verification letter who did not submit satisfactory evidence that they were in compliance with the requirements to obtain an accreditation exemption. The notice of revocation shall cite that the revocation is for a lack of required accreditation.

The NSC-MAC shall follow the procedures shown above concerning issuance of attestation letters and audit survey letters for all succeeding years after they have been performed for the first time.

15.21.2 – Enrolling Indian Health Service (IHS) Facilities as DMEPOS Suppliers
(Rev. 430, 09-28-12, Effective: 10-29-12, Implementation: 10-29-12)

A. Background

The National Supplier Clearinghouse (NSC) shall enroll IHS facilities as DMEPOS suppliers in accordance with (a) the general enrollment procedures cited in chapter 15, (b) the statement of work contained in the NSC contract with Medicare, and (c) the special procedures cited in this section.

For enrollment purposes, Medicare recognizes two types of IHS facilities: (1) facilities wholly owned and operated by the IHS, and (2) facilities owned by the IHS but tribally operated or totally owned and operated by a tribe. CMS will provide the NSC with a list of IHS facilities that distinguishes between these two types.

On the list, the NSC shall use the column entitled, “FAC OPERATED BY”, for this purpose.

B. Enrollment
The provider/supplier shall complete the Form CMS-855S shall be completed in accordance with the instructions shown therein.

NOTE: Facilities that are:

- Totally owned and operated by the IHS are considered governmental organizations. An Area Director of the IHS must sign section 15 of the Form CMS–855S, be listed in section 6 of the form, and sign the letter required under section 5 of the form that attests that the IHS will be legally and financially responsible in the event there is any outstanding debt owed to CMS.

- Tribally operated are considered tribal organizations. Section 15 of the Form CMS–855S must be signed by a tribal official who meets the definition of an “authorized official” under 42 CFR § 424.502. The individual must also be listed in section 6 of the form, and must sign the letter required under section 5 of the form that attests that the tribe will be legally and financially responsible in the event there is any outstanding debt owed to CMS.

C. Supplier Standards, Exceptions and Site Visits

All IHS facilities, whether operated by the IHS or a tribe:

- Shall meet all required standards, with the exception of:
  
  - The comprehensive liability insurance requirements under 42 CFR 424.57(c)(10).
  
  - The requirement to provide State licenses for their facility/business. For example, if the DMEPOS supplier indicates on its application that it will be providing hospital beds and is located in a State that requires a bedding license, such licensure is not required. However, if it provides a DMEPOS item that requires a licensed professional in order to properly provide the item, it shall provide a copy of the professional license. The licensed professional can be licensed in any State or have a Federal license (e.g., a pharmacy does not need a pharmacy license, but shall have a licensed pharmacist).

- Shall, like all other DMEPOS suppliers, undergo site visits in accordance with section 15.19.2.1 through 15.19.2.4 of this chapter. (This includes all hospitals and pharmacies enrolling as DMEPOS suppliers.)

D. Provider Education for IHS Facilities

The NSC shall ensure that its Web site includes the information contained in this section 15.21.2 that is specific to enrollment of IHS facilities (whether operated by the
IHS or a tribe).

E. Specialty Codes

The NSC shall apply the specialty code A9 (IHS) to all IHS enrollments (whether operated by the IHS or a tribe). However, the specialty code A9/A0 shall be applied to facilities that are IHS/tribal hospitals.

Other specialty codes should be applied as applicable (e.g., pharmacies).

15.21.3 - Reserved for Future Use
(Rev. 430, 09-28-12, Effective: 10-29-12, Implementation: 10-29-12)

15.21.4 - Development and Use of Fraud Level Indicators
(Rev. 430, 09-28-12, Effective: 10-29-12, Implementation: 10-29-12)

The National Supplier Clearinghouse (NSC) shall perform a fraud potential analysis of all DMEPOS applicants and current DMEPOS suppliers. The fraud level indicator shall represent the potential for fraud and/or abuse. The NSC shall use four fraud level indicator codes as follows:

1. Low Risk (e.g., national drug store chains)
2. Limited Risk (e.g., prosthetist in a low fraud area)
3. Medium Risk (e.g., midsize general medical supplier in a high fraud area)
4. High Risk (e.g., very small space diabetic supplier with low inventory in a high fraud area whose owner has previously had a chapter 7 bankruptcy). High fraud areas shall be determined by contractor analysis with concurrence of the NSC project officer. (NOTE: These risk categories are in addition to, and not in lieu of, those specified in section 15.19.2 of this chapter.)

In assessing a fraud level indicator, the NSC shall consider such factors as:

1. Experience as a DMEPOS supplier with other payers
2. Prior Medicare experience
3. The geographic area
4. Fraud potential of products and services listed
5. Site visit results
6. Inventory observed and contracted
7. Accreditation of the supplier

After a fraud level indicator is assigned and the DMEPOS supplier is enrolled, the NSC shall establish a DMEPOS Review Plan based on the fraud level assessment. The
DMEPOS Review Plan shall contain information regarding:

1. Frequency of unscheduled site visits
2. Maximum billing amounts before recommendation for prepay medical review
3. Maximum billing spike amounts before recommendation for payment suspensions/prepay medical review, etc.

The fraud level indicator shall be updated based upon information obtained through the Medicare enrollment process, such as reported changes of information.

Information obtained by the Office of Inspector General (OIG), CMS (including CMS satellite office) and/or a Zone Program Integrity Contractor (ZPIC) shall be reported to the NSC project officer. The NSC shall update the fraud level indicator based on information obtained by the OIG, CMS (including CMS satellite office) and/or a ZPIC only after the review and concurrence of the NSC project officer.

In addition, the NSC shall monitor and assess geographic trends which indicate or demonstrate that one geographic area has a higher potential for having fraudulent suppliers.

15.21.4.1 - Fraud Prevention and Detection
(Rev. 430, 09-28-12, Effective: 10-29-12, Implementation: 10-29-12)

The NSC shall have documented evidence that it has, as a minimum, met the following requirements:

- Assign an appropriate fraud level indicator for at least 95 percent of all DMEPOS suppliers, upon initial enrollment or revalidation. The fraud level indicator shall accurately reflect the risk the supplier poses to the Medicare program based on pre-defined criteria above.

- Update the DMEPOS fraud level indicator for each enrolled DMEPOS supplier on an annual basis.

15.21.5 - Alert Codes
(Rev. 430, 09-28-12, Effective: 10-29-12, Implementation: 10-29-12)

The NSC shall receive and maintain the following “alert indicators” from the DME MACs AND Zone Program Integrity Contractors (ZPICs):

<table>
<thead>
<tr>
<th>Alert Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Possible fraudulent or abusive claims identified</td>
</tr>
<tr>
<td>B</td>
<td>Overpayments</td>
</tr>
</tbody>
</table>
D  Violations of disclosure of ownership requirements
E  Violations of participation agreements
L  Suspended by contractor outside alert code process
M  Supplier is going through claims appeal process

The NSC shall append the supplier file and transfer to the DME-MACs and ZPICs the following alert codes in the following circumstances:

<table>
<thead>
<tr>
<th>Alert Code</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>Violations of supplier standards</td>
</tr>
<tr>
<td>F</td>
<td>Excluded by the Office of Inspector General or debarred per the GSA debarment list</td>
</tr>
<tr>
<td>H</td>
<td>Meets supplier standards; however, the NSC recommends increased scrutiny by the contractor (initiated by NSC-MAC only)</td>
</tr>
<tr>
<td>N</td>
<td>Supplier being investigated under the &quot;Do Not Forward&quot; initiative (initiated by NSC only)</td>
</tr>
<tr>
<td>Q</td>
<td>Low Risk Fraud Level Indicator</td>
</tr>
<tr>
<td>R</td>
<td>Limited Risk Fraud Level Indicator</td>
</tr>
<tr>
<td>S</td>
<td>Medium Risk Fraud Level Indicator</td>
</tr>
<tr>
<td>T</td>
<td>High Risk Fraud Level Indicator</td>
</tr>
</tbody>
</table>

The NSC shall append an Alert Code "H" for any supplier that meets present supplier standards but appears suspect in one of the areas that are verified by the NSC. This alert code notifies the contractors that a supplier may be inclined to submit a high percentage of questionable claims.

The NSC shall share the above information with the DME MACs and ZPICs by sending alerts within 7 calendar days after identification of a supplier having common ownership or business ties with a sanctioned or suspect supplier for their research and/or action. The NSC also shall forward alert codes submitted by the contractors with the other contractors within 7 calendar days after receipt.

15.21.6 - Reserved for Future Use
(Rev. 430, 09-28-12, Effective: 10-29-12, Implementation: 10-29-12)
15.21.7 – Surety Bonds
(Rev. 416, Issued: 04-13-12, Effective: 02-27-12, Implementation: 02-27-12)

A. Background

1. Surety Bond Exemptions

All DMEPOS suppliers are subject to the surety bond requirement, except:

• Government-operated DMEPOS suppliers are exempted if the supplier has provided CMS with a comparable surety bond under State law.

• State-licensed orthotic and prosthetic personnel (which, for purposes of the surety bond requirement, does not include pedorthists) in private practice making custom-made orthotics and prosthetics are exempted if—
  • The business is solely-owned and operated by the orthotic and prosthetic personnel, and
  • The business is only billing for orthotic, prosthetics, and supplies.

• Physicians and non-physician practitioners, as defined in section 1842(b)(18) of the Social Security Act, are exempted if the items are furnished only to the physician or non-physician practitioner’s own patients as part of his or her physician service. The non-physicians covered under this exception are: physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists, certified nurse-midwives, clinical social workers, clinical psychologists, and registered dietitians or nutrition professionals.
  • Physical and occupational therapists in private practice are exempted if—
    • The business is solely-owned and operated by the physical or occupational therapist;
    • The items are furnished only to the physical or occupational therapist’s own patients as part of his or her professional service; and
    • The business is only billing for orthotics, prosthetics, and supplies.

If a previously-exempted DMEPOS supplier no longer qualifies for an exception, it must submit a surety bond to the NSC - in accordance with the requirements in 42 CFR §424.57 - within 60 days after it knows or has reason to know that it no longer meets the criteria for an exception.

2. Bond Submission
Effective May 4, 2009, DMEPOS suppliers submitting: (1) an initial enrollment application to enroll in the Medicare program for the first time, (2) an initial application to establish a new practice location, or (3) an enrollment application to change the ownership of an existing supplier, are required to obtain and submit a copy of its required surety bond to the NSC with their CMS-855S enrollment application. (NOTE: Ownership changes that do not involve a change in the status of the legal entity as evidenced by no change in the tax identification number, or changes that result in the same ownership at the level of individuals (corporate reorganizations and individuals incorporating) are not considered to be “changes of ownership” for purposes of the May 4, 2009, effective date – meaning that such suppliers are considered “existing” suppliers).

For any CMS-855S application submitted on or after May 4, 2009, by a supplier described in this section (2), the NSC shall reject the application if the supplier does not furnish a valid surety bond at the time it submits its application. The rejection shall be done in accordance with existing procedures (e.g., reject application after 30 days).

3. Amount and Basis

The surety bond must be in an amount of not less than $50,000 and is predicated on the NPI, not the tax identification number. Thus, if a supplier has two separately-enrolled DMEPOS locations, each with its own NPI, a $50,000 bond must be obtained for each site.

A supplier may obtain a single bond that encompasses multiple NPIs/locations. For instance, if a supplier has 10 separately-enrolled DMEPOS locations, it may obtain a $500,000 bond that covers all 10 locations.

As stated in 42 CFR §424.57(d)(3), a supplier will be required to maintain an elevated surety bond amount of $50,000 for each final adverse action imposed against it within the 10 years preceding enrollment or reenrollment. This amount is in addition to, and not in lieu of, the base $50,000 amount that must be maintained. Thus, if a supplier has had two adverse actions imposed against it, the bond amount will be $150,000.

A final adverse action is one of the following:

- A Medicare-imposed revocation of Medicare billing privileges;
- Suspension or revocation of a license to provide health care by any State licensing authority;
- Revocation or suspension by an accreditation organization;
- A conviction of a Federal or State felony offense (as defined in §424.535(a)(3)(i)) within the last 10 years preceding enrollment or re-enrollment; or
• An exclusion or debarment from participation in a Federal or State health care program.

4. Bond Terms

The supplier is required to submit a copy of the bond that - on its face - reflects the requirements of 42 CFR §424.57(d). Specific terms that the bond must contain include:

• A guarantee that the surety will - within 30 days of receiving written notice from CMS containing sufficient evidence to establish the surety's liability under the bond of unpaid claims, civil monetary penalties (CMPs), or assessments - pay CMS a total of up to the full penal amount of the bond in the following amounts:
  • The amount of any unpaid claim, plus accrued interest, for which the DMEPOS supplier is responsible, and
  • The amount of any unpaid claims, CMPs, or assessments imposed by CMS or the OIG on the DMEPOS supplier, plus accrued interest.
  • A statement that the surety is liable for unpaid claims, CMPs, or assessments that occur during the term of the bond.
  • A statement that actions under the bond may be brought by CMS or by CMS contractors.
  • The surety's name, street address or post office box number, city, State, and zip code.
  • Identification of the DMEPOS supplier as the Principal, CMS as the Obligee, and the surety (and its heirs, executors, administrators, successors and assignees, jointly and severally) as the surety.

The term of the initial surety bond must be effective on the date that the application is submitted to the NSC. Moreover, the bond must be continuous.

5. Sureties

The list of sureties from which a bond can be secured is found at Department of the Treasury's “Listing of Certified (Surety Bond) Companies;” the Web site is www.fms.treas.gov/c570/c570_a-z.html. For purposes of the surety bond requirement, these sureties are considered “authorized” sureties, and are therefore the only sureties from which the supplier may obtain a bond.

6. Bond Cancellations and Gaps in Coverage
A DMEPOS supplier may cancel its surety bond, but must provide written notice of such to the NSC and the surety at least 30 days before the effective date of the cancellation. Cancellation of a surety bond is grounds for revocation of the supplier's Medicare billing privileges unless the supplier provides a new bond before the effective date of the cancellation. The liability of the surety continues through the termination effective date.

If a gap in coverage exists, the NSC shall revoke the supplier’s billing privileges. If a supplier changes its surety during the term of the bond, the new surety is responsible for any overpayments, CMPs, or assessments incurred by the DMEPOS supplier beginning with the effective date of the new surety bond; the previous surety is responsible for any overpayments, CMPs, or assessments that occurred up to the date of the change of surety.

Pursuant to 42 CFR 424.57(d)(6)(iv), the surety must notify the NSC if there is a lapse in the surety’s coverage of the DMEPOS supplier. This can be done via letter, fax, or e-mail to the NSC; the appropriate addresses can be found on the NSC’s Web site at www.palmettogba.com/nsc.

7. Reenrollment and Reactivation

The supplier must furnish the paperwork described in subsection (A)(4) above with any CMS-855S reenrollment or reactivation application it submits to the NSC unless it already has the information on file with the NSC. For example, if a supplier has submitted a continuous surety bond to the NSC prior to submission of its reenrollment application, a new copy of surety bond is not be required unless the NSC specifically requests it.

B. Bond Changes

A DMEPOS supplier must submit an addendum to the existing bond (or, if the supplier prefers, a new bond) to the NSC in the following instances: (1) change in bond terms, (2) change in bond amount, or (3) a location on a bond covering multiple non-chain locations is being added or deleted.

15.21.7.1 – Claims against Surety Bonds

Pursuant to 42 CFR §424.57(d)(5)(i), the surety must pay CMS - within 30 days of receiving written notice to do so - the following amounts up to the full penal sum of the bond:

(1) The amount of any unpaid claim, plus accrued interest, for which the supplier of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) is responsible.
The amount of any unpaid claim, civil monetary penalty (CMP) or assessment imposed by CMS or the Office of Inspector General (OIG) on the DMEPOS supplier, plus accrued interest.

This section 15.21.7.1 describes the procedures involved in making a claim against a surety bond.

A. Unpaid Claims

1. Background

For purposes of the surety bond requirement, 42 CFR §424.57(a) defines an “unpaid claim” as an overpayment (including accrued interest, as applicable) made by the Medicare program to the DMEPOS supplier for which the supplier is responsible.

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. Thus, the policies in this section 15.21.7.1(A) only apply to overpayment determinations that relate to services performed on or after March 3, 2009.

2. Collection

a. Delinquency Period

If the Durable Medical Equipment Medicare Administrative Contractor (DME MAC) determines – in accordance with CMS’s existing procedures for making overpayment determinations - that (1) the DMEPOS supplier has an unpaid claim for which it is liable, and (2) no waiver of recovery under the provisions of Section 1870 of the Social Security Act is warranted, the DME MAC shall attempt to recover the overpayment in accordance with the instructions in CMS Pub. 100-06, chapter 4.

If 80 days have passed since the initial demand letter was sent to the DMEPOS supplier and full payment has not been received, the DME MAC shall attempt to recover the overpayment. The DME MAC shall review the “List of Bonded Suppliers” the last week of each month to determine which suppliers that have exceeded this 80-day period have a surety bond. Said list:

- Will be electronically sent to the DME MACs by the Provider Enrollment & Oversight Group on a monthly basis.
- Will be in the form of an Excel spreadsheet.
- Will contain the supplier’s legal business name, tax identification number, National Provider Identifier, surety bond amount and other pertinent information.
If the supplier does not have a surety bond (i.e., is exempt from the surety bond requirement), the DME MAC shall continue to follow the instructions in Pub. 100-06, chapter 4 regarding collection of the overpayment.

b. Request for Payment from Surety

If, however, the supplier has a surety bond (and subject to situations (1) through (6) below), the DME MAC shall send an “Intent to Refer” (ITR) letter to the supplier and a copy thereof to the supplier's surety. The letter and copy shall be sent (a) on the same date and (b) between 80 and 90 days after the initial demand letter was sent. (The copy to the surety can be sent via mail, e-mail, or fax.)

(NOTE: Under federal law, a delinquent debt must be referred to the Department of Treasury within 120 days. (Per the chart below, this represents Day 150 of the entire collection cycle.) To ensure that the DME MAC meets this 120-day limit yet has sufficient time to prepare the surety letter as described in the following paragraph, it is recommended that the DME MAC send the ITR letter several days prior to the 90-day limit referenced in the previous paragraph. This will give the DME MAC a few additional days beyond the 30-day deadline referenced in the next paragraph to send the surety letter.)

If the DME MAC does not receive full payment from the supplier within 30 days of sending the ITR letter (and subject to situations (1) through (6) below), the contractor shall notify the surety via letter that in accordance with 42 CFR §424.57(d)(5)(i)(A), the surety must make payment of the claim to CMS within 30 days from the date of the surety letter. (The DME MAC shall send a copy of the surety letter to the supplier on the same date.) The DME MAC shall send the surety letter no later than 30 days after sending the ITR letter (subject to the previous paragraph), depending on the facts of the case. Consider the following situations:

1. If a DMEPOS supplier has withdrawn from Medicare or has had its billing privileges deactivated or revoked, the contractor shall send the ITR and the surety letter on the earliest possible days.

2. If the supplier has an extended repayment schedule (ERS) and is currently making payments, the DME MAC shall not send an ITR letter or a surety letter. If the DME MAC is currently reviewing an ERS application from the supplier, the contractor shall delay sending the ITR letter and the surety letter until after the ERS review is complete.

3. If the aggregated principal balance of the debt is less than $25, the DME MAC shall not send an ITR letter or a surety letter. It shall instead follow the instructions in CMS Pub. 100-06, chapter 4 regarding collection of the overpayment.
(4) If the DME MAC believes the debt will be collected through recoupment, it shall not send an ITR letter or a surety letter. It shall instead follow the instructions in Pub. 100-06, chapter 4 regarding collection of the overpayment.

(5) If the supplier has had a recent offset, the DME MAC may wait to see if future offsets will close the debt, without sending the surety a letter. If the debt is still not paid in full or an ERS has not been established, the DME MAC shall send the surety letter no later than the 115th day after the initial demand letter was sent.

(6) A payment demand letter shall not be sent to the surety if the DME MAC is certain that the $50,000 surety bond amount in question has been completely exhausted.

The DME MAC may choose to aggregate debts from the same supplier into one surety letter, provided they are at least 30 days delinquent.

The surety letter shall:

- Follow the format of the applicable model letter in section 15.21.7.1.1 of this chapter.

- Identify the specific amount to be paid and be accompanied by “sufficient evidence” of the unpaid claim. “Sufficient evidence” is defined in 42 CFR §424.57(a) as documents that CMS may supply to the DMEPOS supplier’s surety to establish that the supplier had received Medicare funds in excess of the amount due and payable under the statute and regulations.

- Be accompanied by the following documents, which constitute “sufficient evidence” for purposes of §424.57(a):

  (1) A computer-generated “Overpayment Services Report” containing the following information:

  (i) Date of service
  (ii) Date on which supplier was paid
  (iii) Code for type of service
  (iv) Billed Amount
  (v) Allowed Amount
  (vi) Deductible Amount
  (vii) Co-Insurance Amount
  (viii) Paid Amount
  (ix) Overpayment Amount

  (NOTE: The report shall not include beneficiary name, HICN, or any information otherwise protected under the Privacy Act.)
(2) A copy of the overpayment determination letter that was sent to the supplier.

- State that payment shall be made via check or money order and that the Payee shall be the DME MAC.

- Identify the address to which payment shall be sent.

The DME MAC shall only seek repayment up to the full penal sum amount of the surety bond. Thus, if the supplier has a $60,000 unpaid claim and the amount of the supplier’s bond coverage is $50,000, the DME MAC shall only seek the $50,000 amount. The remaining $10,000 will have to be obtained from the supplier via the existing overpayment collection process.

c. Follow-Up Contact

Between 8 and 12 calendar days after sending the surety letter, the DME MAC shall contact the surety by telephone or e-mail to determine whether the surety received the letter and, if it did, whether and when payment will be forthcoming.

If the surety indicates that it did not receive the letter, the DME MAC shall immediately fax or e-mail a copy of the letter to the surety. The surety will have 30 days from the original date of the letter – not 30 days from the date the letter was resent to the surety – to submit payment. To illustrate, suppose the DME MAC on April 1 sends the surety letter, which is also dated April 1. It places the follow-up call to the surety on April 11. The surety states that it never received the letter, so the contractor e-mails a copy of it to the surety that same day. Payment must be received by May 1, or 30 days from the original date of the letter.

If the surety cannot be reached (including situations where a voicemail message must be left) or if the surety indicates that it did receive the letter and that payment is forthcoming, no further action by the contractor is required. If the surety indicates that payment is not forthcoming, the contractor shall (1) attempt to ascertain the reason, and (2) follow the steps outlined in section (A)(3)(b) below after the 30-day period expires.

The contractor shall document any attempts to contact the surety by telephone and the content of any resultant conversations with the surety.

3. Verification of Payment

a. Full Payment Is Made

If full payment (including interest, as applicable) is made within the aforementioned 30-day period, the DME MAC shall, no later than 15 calendar days after payment was made:
• Update all applicable records to reflect that payment was made. (Payment from the surety shall be treated as payment from the supplier for purposes of said record updates.)

• Notify the supplier via letter (on which the NSC shall be copied) that payment has been made and that the supplier must, within 30 calendar days of the date of the letter, obtain and submit to the NSC additional bond coverage so as to ensure that the amount equals or exceeds $50,000 (or higher if an elevated bond amount is involved due to a final adverse action). Thus, if the surety made payment on a $10,000 claim, the supplier must obtain $10,000 worth of additional surety bond coverage by either: (1) adding to the amount of the existing surety bond, or (2) cancelling its current surety bond and securing a new $50,000 surety bond. (Obtaining a separate $10,000 surety bond is impermissible.)

If the NSC does not receive the additional bond coverage within this 30-day period, it shall revoke the supplier’s Medicare billing privileges in accordance with existing procedures.

b. Full Payment Is Not Made

If the surety fails to make full payment within 30 calendar days of the date of the letter to the surety, the DME MAC shall:

(1) Refer the debt to the Department of Treasury immediately upon the expiration of said 30-day timeframe (i.e., preferably on the same day or the day after, but in all cases no later than the 120-day deadline for sending delinquent debts to the Department of Treasury) and as outlined in Pub. 100-06, chapter 4;

(2) No later than 14 days after the 30-day period expires, contact the surety via e-mail or telephone to ascertain the reason for non-payment. Only one contact is necessary. A voice mail message may be left. The contractor shall document any attempts to contact the surety by telephone and the content of any resultant conversations with the surety.

(3) No later than 14 days after Step 2 has been completed – and if full payment still has not been received -- send the letter identified in section 15.21.7.1.1(E) to the surety.

(4) Include information relating to the surety’s non-payment in the report identified in section 15.21.7.1(C).

c. Successful Appeal

If the supplier successfully appeals the overpayment and the surety has already made payment to the DME MAC on the overpayment, the DME MAC shall – within 30
calendar days of receiving notice of the successful appeal - notify the surety via letter of the successful appeal and repay the surety via check or money order.

4. Summary

The following chart outlines the timeframes involved in the surety bond collection process for overpayments:

<table>
<thead>
<tr>
<th>Day</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Initial Demand Letter Sent</td>
</tr>
<tr>
<td>31</td>
<td>Debt is Delinquent/Interest Starts</td>
</tr>
<tr>
<td>41</td>
<td>Recoupment Starts</td>
</tr>
<tr>
<td>90</td>
<td>Intent to Refer Letter Sent</td>
</tr>
<tr>
<td>120</td>
<td>Surety Bond Letter Sent</td>
</tr>
<tr>
<td>150</td>
<td>Referral to Treasury</td>
</tr>
</tbody>
</table>

B. Assessments and CMPs

1. Request for Payment from Surety

Per 42 CFR §424.57(a), an assessment is defined as a “sum certain that CMS or the OIG may assess against a DMEPOS supplier under Titles XI, XVIII, or XXI of the Social Security Act.” Under 42 CFR §424.57(a), a CMP is defined as a sum that CMS has the authority, as implemented by 42 CFR §402.1(c) (or the OIG has the authority, under section 1128A of the Act or 42 CFR Part 1003) to impose on a supplier as a penalty.

CMS will notify the DME MAC of the need for the latter to collect payment from the surety on an assessment or CMP imposed against a particular bonded DMEPOS supplier. Upon receipt of this notification, the DME MAC shall – regardless of the amount of the assessment or CMP - notify the surety via letter that, in accordance with 42 CFR § 424.57(d)(5)(i)(B), payment of the assessment or CMP must be made within 30 calendar days from the date of the letter. The letter (on which the NSC and the supplier/debtor shall be copied) shall:

- Follow the format of the applicable model letter in section 15.21.7.1.1 of this chapter.
- Identify the specific amount to be paid and be accompanied by “sufficient evidence.” This includes all documentation that CMS (in its notification to the DME MAC as described above) requests the DME MAC to include with the letter (e.g., OIG letter).
- State that payment shall be made via check or money order and that the Payee shall be CMS.
- Identify the address to which payment shall be sent.
2. Follow-Up Contact

Between 8 and 12 calendar days after sending the surety letter, the DME MAC shall contact the surety by telephone or e-mail to determine whether the surety received the letter and, if it did, whether and when payment is forthcoming.

If the surety indicates that it did not receive the letter, the DME MAC shall immediately fax or e-mail a copy of the letter to the surety. The surety will have 30 days from the original date of the letter – not 30 days from the date the letter was resent to the surety – to submit payment. To illustrate, suppose the DME MAC on April 1 sends the surety letter, which is also dated April 1. It places the follow-up call to the surety on April 11. The surety states that it never received the letter, so the contractor e-mails a copy of it to the surety that same day. Payment must be received by May 1, or 30 days from the original date of the letter.

If the surety cannot be reached (including situations where a voicemail message must be left) or if the surety indicates that it received the letter and that payment is forthcoming, no further action by the contractor is required. If the surety indicates that payment is not forthcoming, the contractor shall (1) attempt to ascertain the reason, and (2) follow the steps outlined in section (A)(3)(b) below after the 30-day period expires.

The contractor shall document any attempts to contact the surety by telephone and the content of any resultant conversations with the surety.

3. Verification of Payment

a. Full Payment Is Made

If full payment (including interest, as applicable) is made within 30 calendar days of the date of the letter to the surety, the DME MAC shall, no later than 15 calendar days after payment was made:

- Update all applicable records to reflect that payment was made. (Payment from the surety shall be treated as payment from the supplier for purposes of said record updates.)
- Notify the applicable CMS Regional Office (RO) via letter or e-mail that payment was made.
- If the OIG imposed the CMP or assessment, notify the OIG via letter that payment was made.
- Notify the supplier via letter (on which the NSC shall be copied) that payment has been made and that the supplier must, within 30 calendar days of the date of the letter, obtain and submit to the NSC additional bond coverage so as to
ensure that the amount equals or exceeds $50,000 (or higher if an elevated bond amount is involved due to a final adverse action). Thus, if the surety made payment on a $10,000 CMP, the supplier must obtain $10,000 worth of additional surety bond coverage by either: (1) adding to the amount of the existing surety bond, or (2) cancelling its current surety bond and securing a new $50,000 surety bond. (Obtaining a separate $10,000 surety bond is impermissible.)

If the NSC does not receive the additional bond coverage within this 30-day period, it shall revoke the DMEPOS supplier’s Medicare billing privileges in accordance with existing procedures.

b. Full Payment Is Not Made

If the surety fails to make full payment within the aforementioned 30-day timeframe, the DME MAC shall:

(1) Continue collection efforts as outlined in Pub. 100-06, chapter 4;

(2) No later than 14 days after the 30-day period expires, contact the surety via e-mail or telephone to ascertain the reason for non-payment. Only one contact is necessary. A voice mail message may be left. The contractor shall document any attempts to contact the surety by telephone and the content of any resultant conversations with the surety.

(3) No later than 14 days after Step 2 has been completed – and if full payment still has not been received -- send the letter identified in section 15.21.7.1.1(E) to the surety.

(4) Include information relating to the surety’s non-payment in the report outlined in section 15.21.7.1(C).

c. Successful Appeal

If the DMEPOS supplier successfully appeals the CMP or assessment and the surety has already made payment, CMS will – within 30 days of receiving notice of the successful appeal - notify the surety via letter of the successful appeal and repay the surety.

C. Reporting Requirements

DME MACs shall compile a report on a quarterly basis in the format prescribed in existing CMS directives. The report will capture the following elements:

- Number of account receivables (debts) reviewed for possible surety bond letter development
- Number of debts sent to the surety for recovery
• Amount recovered via the surety collection process
• Amount paid by the supplier after the surety collection process was initiated
• Names of suppliers and NSC numbers for which letters were sent to the surety and/or surety bond recoveries were received
• Names and addresses of sureties that have failed to make payment within the quarterly period. For each instance of non-payment, the report shall identify (a) the amount that was requested, (b) the amount that was paid (if any), (3) the name and tax identification number of the supplier in question, and (4) the reason the surety did not pay (to the extent this can be determined).

The quarterly reports shall encompass the following time periods: January through March, April through June, July through August, and September through December. Reports shall be submitted to the Provider Enrollment & Oversight Group through the MAC COR by the 10th day of the month following the end of the reporting quarter. Information on surety collections shall be reported once for each demand letter. That action shall be reported only when the collection process has been fully completed for that specific identified overpayment, which may be comprised of multiple claims. For example, suppose the surety was sent a letter in December but its payment was not received until January. That action would be documented in the report encompassing the months of January, February, and March.

15.21.7.1.1 – Model Letters for Claims against Surety Bonds

When making a claim against a surety bond in accordance with section 15.21.7.1 of this chapter, the contractor shall use the applicable model letter below:

A. Letter for Overpayments – Supplier is Still Enrolled in Medicare

Date

Surety Name
Surety Address

RE: Supplier Legal Business Name
Supplier DBA Name (if any)
Supplier Address
Supplier National Provider Identifier (NPI)

Dear Surety:

(Supplier legal business name) is currently enrolled in the Medicare program as a supplier of durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS). As a condition of its Medicare enrollment, (Supplier) is required – under Federal regulations at 42 C.F.R. §424.57(d) - to maintain a surety bond in an amount of no less than $50,000. In accordance with this provision, (Supplier) has a $________ surety
Consistent with 42 C.F.R. §424.57(d)(5)(i)(A), the surety must pay CMS - upon receiving written notice from CMS containing “sufficient evidence” as defined in the Program Integrity Manual, CMS Pub. 100-08, §15.21.1.A.2.(c) - the amount of any unpaid claim for which the DMEPOS supplier is responsible, up to the full penal amount of the bond. An “unpaid claim” is defined in 42 C.F.R. §424.57(a) as an overpayment made by the Medicare program to the DMEPOS supplier for which the DMEPOS supplier is responsible.

CMS has determined that (Supplier) has incurred an overpayment in the amount of (insert dollar amount). This determination was made based on specific information about the overpayment, which is included in the attachments to this letter.

CMS has been unable to recover the full overpayment from (Supplier) using its existing recoupment procedures. (Supplier) has repaid (insert “none” or “only $______”) of the overpayment amount. Consistent with 42 C.F.R. §424.57(d)(5)(i)(A), therefore, CMS requests that (Surety) make payment to CMS in the amount of (insert applicable amount) no later than 30 days from the date of this letter. Payment shall be made via check or money order and sent to the following address:

Contractor Name
Address
City, State and Postal ZIP Code

The payee shall be (insert DME MAC), which is CMS’s Durable Medical Equipment Medicare Administrative Contractor for (Supplier)’s location.

Failure to make the requested payment in a timely manner may result in referrals to the United States Department of Justice for collection action, and/or the United States Department of the Treasury for revocation of [surety name’s] authority to provide federal bonds.

Should you have any questions about this letter, please do not hesitate to contact _______ at __________. (The contractor shall identify a specific individual who the surety can contact if questions arise.)

Sincerely,
(Name and title)

cc:   Supplier Name

B. Letter for Overpayments - Supplier is No Longer Enrolled in Medicare
Date

Surety Name
Surety Address

RE:   Former Supplier Legal Business Name
      Former Supplier DBA Name (if any)
      Former Supplier Address
      Former Supplier NPI

Dear Surety:

(Former Supplier legal business name) was enrolled in the Medicare program as a supplier of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) until (insert effective date of termination/revocation). As a condition of its Medicare enrollment, (Former Supplier) was required – under Federal regulations at 42 C.F.R. §424.57(d) - to maintain a surety bond in an amount of no less than $50,000. In accordance with this provision, (Former Supplier) obtained a $__________ surety bond with your company.

Consistent with 42 C.F.R. §424.57(d)(5)(i)(A), the surety must pay CMS – upon receiving written notice from CMS containing sufficient evidence to establish the surety’s liability under the bond – the amount of any unpaid claim for which the DMEPOS supplier is responsible, up to the full penal amount of the bond. An “unpaid claim” is defined in 42 C.F.R. §424.57(a) as an overpayment made by the Medicare program to the DMEPOS supplier for which the DMEPOS supplier is responsible.

CMS has determined that (Supplier) incurred an overpayment in the amount of (insert dollar amount). This determination was made based on specific information about the overpayment, which is included in the attachments to this letter.

CMS has been unable to recover the full overpayment from (Former Supplier) using its existing recoupment procedures. (Former Supplier) has repaid (insert “none” or “only $_____) of the overpayment amount.

(Former Supplier’s) surety bond coverage with your company ended on (insert date). However, consistent with 42 C.F.R. §424.57(d)(5)(iii), the surety is liable for unpaid claims that:

(1) CMS assessed against the supplier based on overpayments that took place during the term of the bond or rider, and

(2) Were assessed by CMS during the 2 years following the date that the supplier failed to submit a bond or required rider or the date that the supplier’s Medicare enrollment was terminated, whichever is later.
The overpayment occurred on (insert date), which was within the period of (Former Supplier)’s surety bond coverage with your company. Moreover, CMS has made its overpayment determination within the 2-year period following the date of the termination of (Former Supplier)’s Medicare enrollment. Consistent with 42 C.F.R. §424.57(d)(5)(i)(A), therefore, CMS requests that (Surety) make payment to CMS in the amount of (insert applicable amount) no later than 30 days from the date of this letter. Payment shall be made via check or money order and sent to the following address:

Contractor Name
Address
City, State and Postal ZIP Code

The payee shall be (insert DME MAC), which is CMS’s Durable Medical Equipment Medicare Administrative Contractor for (Supplier)’s location.

Failure to make the requested payment in a timely manner may result in referrals to the United States Department of Justice for collection action, and/or the United States Department of the Treasury for revocation of [surety name’s] authority to provide federal bonds.

Should you have any questions about this letter, please do not hesitate to contact _______ at __________. (The contractor shall identify a specific individual who the surety can contact if questions arise.)

Sincerely,
(Name and title)

cc: Supplier Name

C. Letter for Civil Monetary Penalties and Assessments – Supplier is Still Enrolled in Medicare

Date

Surety Name
Surety Address

RE: Supplier Legal Business Name
Supplier DBA Name (if any)
Supplier Address
Supplier NPI
Dear Surety:

(Supplier legal business name) is currently enrolled in the Medicare program as a supplier of durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS). As a condition of its Medicare enrollment, (Supplier) is required – under Federal regulations at 42 C.F.R. §424.57(d) - to maintain a surety bond in an amount of no less than $50,000. In accordance with this provision, (Supplier) has a $_________ surety bond with your company.

Consistent with 42 C.F.R. §424.57(d)(5)(i)(A), the surety must pay CMS – upon receiving written notice from CMS containing sufficient evidence to establish the surety’s liability under the bond – the amount of any civil monetary penalty (CMP) and/or assessment for which the DMEPOS supplier is responsible, up to the full penal amount of the bond.  (Insert applicable language……………

A CMP is defined in §424.57(a) as a sum that CMS has the authority, as implemented by 42 C.F.R. §402.1(c) (or the Department of Health and Human Services Office of Inspector General (OIG)) has the authority, under section 1128A of the Act or 42 C.F.R. Part 1003) to impose on a supplier as a penalty.

OR

An assessment is defined as a sum certain that CMS or the Department of Health and Human Services Office of Inspector General (OIG) may assess against a DMEPOS supplier under Titles XI, XVIII or XXI of the Social Security Act.)

(CMS or OIG, as applicable) imposed a (CMP and/or assessment, as applicable) on (Supplier) on (date) in the amount of ($ ______). The (CMP and/or assessment) was imposed because (insert explanation, using information furnished by CMS or OIG).

Relevant documentation supporting our determination is attached to this letter. (Attach copy of notice of CMP/assessment that was sent to supplier.)

(CMS or OIG, as applicable) has attempted to recover the amount of the (CMP or assessment) from (Supplier) using its existing collection procedures. (Supplier), however, has repaid (insert “none” or “only $_____) of this amount. Consistent with 42 C.F.R. §424.57(d)(5)(i)(A), therefore, CMS requests that (Surety) make payment to CMS in the amount of (insert applicable amount) no later than 30 days from the date of this letter. Payment shall be made via check or money order and sent to the following address:

Contractor Name
Address
City, State and Postal ZIP Code
The payee shall be the Centers for Medicare and Medicaid Services.

Failure to make the requested payment in a timely manner may result in referrals to the United States Department of Justice for collection action, and/or the United States Department of the Treasury for revocation of [surety name’s] authority to provide federal bonds.

Should you have any questions about this letter, please do not hesitate to contact _______ at __________. (The contractor shall identify a specific individual who the surety can contact if questions arise.)

Sincerely,
(Name and title)

cc: Supplier Name

D. Letter for Civil Monetary Penalties and Assessments – Supplier is No Longer Enrolled in Medicare

Date

Surety Name
Surety Address

RE: Former Supplier Legal Business Name
    Former Supplier DBA Name (if any)
    Former Supplier Address
    Former Supplier NPI

Dear Surety:

(Former Supplier legal business name) was enrolled in Medicare as a supplier of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) until (insert effective date of termination/revocation). As a condition of its Medicare enrollment, (Former Supplier) was required – under Federal regulations at 42 C.F.R. §424.57(d) - to maintain a surety bond in an amount of no less than $50,000. In accordance with this provision, (Former Supplier) obtained a $_________ surety bond with your company.

Consistent with 42 C.F.R. §424.57(d)(5)(i)(A), the surety must pay CMS – upon receiving written notice from CMS containing sufficient evidence to establish the surety’s liability under the bond – the amount of any civil monetary penalty (CMP) and/or assessment for which the DMEPOS supplier is responsible, up to the full penal
amount of the bond. (Insert applicable language…………..

A CMP is defined in §424.57(a) as a sum that CMS has the authority, as implemented by 42 C.F.R. §402.1(c) (or the Department of Health and Human Services Office of Inspector General (OIG) has the authority, under section 1128A of the Act or 42 C.F.R. Part 1003)) to impose on a supplier as a penalty.

OR

An assessment is defined as a sum certain that CMS or the Department of Health and Human Services Office of Inspector General (OIG) may assess against a DMEPOS supplier under Titles XI, XVIII or XXI of the Social Security Act.)

(CMS or OIG, as applicable) imposed a (CMP and/or assessment, as applicable) on (Former Supplier) on (date) in the amount of ($______). The (CMP and/or assessment) was imposed because (insert explanation, using information furnished by CMS or OIG).

Relevant documentation supporting our determination is attached to this letter. (Attach copy of notice of CMP/assessment that was sent to former supplier.)

(CMS or OIG, as applicable) has attempted to recover the amount of the (CMP or assessment) from (Former Supplier) using its existing collection procedures. (Former Supplier), however, has repaid (insert “none” or “only $_____) of this amount.

(Former Supplier)’s surety bond coverage with your company ended on (insert date). However, consistent with 42 C.F.R. §424.57(d)(5)(iii), the surety is liable for CMPs and/or assessments that:

(1) CMS or OIG imposed or asserted against the supplier during the term of the bond or rider, and

(2) Were imposed or assessed by CMS during the 2 years following the date that the supplier failed to submit a bond or required rider or the date that the supplier’s Medicare enrollment was terminated, whichever is later.

The (CMP and/or assessment) was based on events that occurred (insert relevant date(s)), which was within the period of (Former Supplier’s) surety bond coverage with your company. Moreover, CMS imposed the (CMP and/or assessment) within the 2-year period following the date of the termination of (Former Supplier)’s Medicare enrollment. Consistent with 42 C.F.R. §424.57(d)(5)(i)(A), therefore, CMS requests that (Surety) make payment to CMS in the amount of (insert applicable amount) no later than 30 days from the date of this letter. Payment shall be made via check or money order and sent to the following address:
Contractor Name
Address
City, State and Postal ZIP Code

The payee shall be the Centers for Medicare & Medicaid Services.

Failure to make the requested payment in a timely manner may result in referrals to the United States Department of Justice for collection action, and/or the United States Department of the Treasury for revocation of [surety name’s] authority to provide federal bonds.

Should you have any questions about this letter, please do not hesitate to contact _______ at _________. (The contractor shall identify a specific individual who the surety can contact if questions arise.)

Sincerely,
(Name and title)

cc: Supplier Name

E. Surety Non-Payment Letter

Date
Surety Name
Surety Address

RE: Supplier Legal Business Name
Supplier DBA Name (if any)
Supplier Address
Supplier National Provider Identifier (NPI)

Dear Surety:

Consistent with 42 C.F.R. §424.57(d)(5)(i)(A), we sent you a letter dated (date of letter) requesting that you make payment to CMS in the amount of (insert applicable amount) no later than 45 days from the date of said letter, a copy of which is attached. (Attach a copy of the demand letter.) As payment has not been received, this matter may be referred for further action to the United States Department of Justice for collection and/or the United States Department of the Treasury for revocation of [surety name’s] authority to provide federal bonds.

Should you have any questions about this letter, please do not hesitate to contact
Sincerely,
(Name and title)

cc: Supplier Name

15.22 – Customer Service/Outreach
(Rev.423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

15.22.1 – Web Sites
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

The contractor must provide a link to CMS’ provider/supplier enrollment Web site located at http://www.cms.hhs.gov/MedicareProviderSupEnroll. The link shall: (1) be available on the contractor’s existing provider outreach Web site (which should be an established sub-domain of the contractor’s current commercial Web site), and (2) comply with the guidelines stated in the Provider/Supplier Information and Education Web site section (Activity Code 14101) under the Provider Communications (PCOM) Budget and Performance Requirements (BPRs). Bulletins, newsletters, seminars/workshops and other information concerning provider enrollment issues shall also be made available on the existing provider outreach Web site. All contractor Web sites must comply with section 508 of the Rehabilitation Act of 1973 in accordance with, 36 CFR §1194, and must comply with CMS’ Contractor Web site Standards and Guidelines posted on CMS’s Web site.

The CMS Provider/Supplier Enrollment Web site, http://www.cms.hhs.gov/MedicareProviderSupEnroll, furnishes the user with access to provider/supplier enrollment forms, specific requirements for provider/supplier types, manual instructions, frequently asked questions (FAQs), contact information, hot topics, and other pertinent provider/supplier information. The contractor shall not duplicate content already provided at the CMS provider/supplier enrollment Web site, and shall not reproduce the forms or establish the contractor’s own links to forms. It shall, however, have a link on its Web site that goes directly to the forms section of the CMS provider/supplier enrollment site.

On a quarterly basis (specifically, no later than the 15th day of January, April, July, and October), each contractor shall review and provide updates regarding its contact information shown at URL:

http://www.cms.hhs.gov/MedicareProviderSupEnroll/downloads/contact_list.pdf

If the contractor services several States with a universal address and telephone number,
the contractor shall report that information. In situations where no actions are required, a response from the contractor is still required (i.e., the contact information is accurate). In addition, only such information that pertains to provider enrollment activity for the contractor’s jurisdiction is to be reported. All updates shall be sent directly via e-mail to the contractor’s CMS Provider Enrollment & Oversight Group Business Function Lead.

15.22.2 – Provider Enrollment Inquiries
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

The contractor’s customer service unit may handle provider enrollment inquiries that do not involve complex enrollment issues. Examples of inquiries that can be processed by customer service units include:

- Application status checks (e.g., “Has the contractor finished processing my application?”) (The contractor may wish to establish electronic mechanisms by which providers can obtain updates on the status of their enrollment applications via the contractor’s Web site or automated voice response (AVR).
- Furnishing information on where to access the Form CMS-855 applications (and other general enrollment information) on-line
- Explaining to providers/suppliers which Form CMS-855 applications should be completed.

The contractor is strongly encouraged to establish e-mail “list serves” with the provider community to disseminate important information thereto, such as contractor address changes, new CMS enrollment policies or internal contractor procedures, reminders about existing policies, etc. By being proactive in distributing information to its providers and suppliers on a regular basis (e.g., weekly, bi-weekly), the contractor can reduce the number of policy inquiries it receives and help facilitate the submission of complete and accurate Form CMS-855 applications.

15.23 – Document Retention
(Rev.423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

15.23.1 - Security
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

The contractor shall ensure that the highest level of security is maintained for all systems and its physical and operational processes, in accordance with the CMS/Business Partners Systems Security Manual (BPSSM) and the Program Integrity Manual.

Applications shall never be removed from the controlled area to be worked on at home or in a non-secure location. Additionally, provider enrollment staff must control and
monitor all applications accessed by other contractor personnel.

All contractor staff shall be trained on security procedures as well as relevant aspects of the Privacy Act and the Freedom of Information Act. This applies to all management, users, system owners/managers, system maintainers, system developers, operators and administrators - including contractors and third parties - of CMS information systems, facilities, communication networks and information.

Note that these instructions are in addition to, and not in lieu of, all other instructions issued by CMS regarding security.

15.23.2 – Release of Information
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

On October 13, 2006, CMS published System of Records Notice for the Provider Enrollment, Chain and Ownership System (PECOS) in the Federal Register. Consistent with this notice, once the provider has submitted an enrollment application (as well as after it has been enrolled), the contractor shall not release – either orally or in writing - provider-specific data to any other person or entity. (Provider-specific data includes, but are not limited to, owners/managers, adverse legal history, practice locations, group affiliations, effective dates, etc.) Examples of outside persons or entities include, but are not restricted to, national or state medical associations or societies, clearinghouses, billing agents, provider associations, or any person within the provider’s organization other than the provider’s authorized official(s) (section 15 of the CMS-855), delegated official(s), (section 16), contact persons (section 13), or authorized surrogate users. The only exceptions to this policy are:

- A routine use found in the aforementioned System of Records applies.

- The provider (or, in the case of an organizational provider, an authorized or delegated official): (1) furnishes a signed written letter on the provider’s letterhead stating that the release of the provider data is authorized, and (2) the contractor has no reason to question the authenticity of the person’s signature. The letter can be mailed, faxed, or e-mailed to the contractor.

- The release of the data is specifically authorized in some other CMS instruction or directive.

(These provisions also apply in cases where the provider requests a copy of any Form CMS-855 paperwork the contractor has on file.)

It is recommended that the contractor notify the provider of the broad parameters of the aforementioned policy as early in the enrollment process as possible.

In addition:
• When sending e-mails, the contractor shall not transmit sensitive data, such as social security numbers or employer identification numbers.

• The contractor may not send PECOS screen printouts to the provider.

• The contractor shall not send an individual’s provider transaction access numbers (PTAN) to a group or organization (including the group's authorized or delegated official). If a group/organization needs to know an individual provider’s PTAN, it must contact the provider directly for this information or have the individual provider request this information in writing from the contractor. If the individual provider requests his/her PTAN number, the contractor can mail it to the provider’s practice location. The contractor should never give this information over the phone.

15.23.3 – File Maintenance
(Rev. 423, Issued: 06-01-12, Effective: 07-02-12, Implementation: 07-02-12)

The contractor shall maintain and store all documents relating to the enrollment of a provider into the Medicare program. These documents include, but are not limited to, Medicare enrollment applications and all supporting documents, attachments, correspondence, and appeals submitted in conjunction with an initial enrollment, reassignment, change of enrollment, revalidation, etc.

Supporting documentation includes, but is not limited to:

• Copies of Federal, State and/or local (city/county) professional licenses, certifications and/or registrations;

• Copies of Federal, State, and/or local (city/county) business licenses, certifications and/or registrations;

• Copies of professional school degrees or certificates or evidence of qualifying course work; and

• Copies of CLIA certificates and FDA mammography certificates.

The contractor shall dispose of the aforementioned records as described below:

1) Provider/Supplier and Durable Medical Equipment Supplier Application

   a. Rejected applications as a result of provider failing to provide additional information

      Disposition: Destroy when 7 years old.

   b. Approved applications of provider/supplier
Disposition: Destroy 15 years after the provider/supplier's enrollment has ended.

c. Denied applications of provider/supplier.

Disposition: Destroy 15 years after the date of denial.

d. Approved application of provider/supplier, but the billing number was subsequently revoked.

Disposition: Destroy 15 years after the billing number is revoked.

e. Voluntary deactivation of billing number

Disposition: Destroy 15 years after deactivation.

f. Provider/Supplier dies

Disposition: Destroy 7 years after date of death.

2) Electronic Mail and Word Processing System Copies

a. Copies that have no further administrative value after the recordkeeping copy is made. These include copies maintained by individuals in personal files, personal electronic mail directories, or other personal directories on hard disk or network drives, and copies on shared network drives that are used only to produce the recordkeeping copy.

Disposition: Delete within 180 days after the recordkeeping copy has been produced.

b. Copies used for dissemination, revision or updating that are maintained in addition to the recordkeeping copy.

Disposition: Delete when dissemination, revision, or updating is complete.

15.24 – Model Letter Guidance
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

A. Format Requirements

All letters sent by contractors to providers and suppliers shall consist of the following format:

• The CMS logo (2012 version) displayed per previous CMS instructions.

• The contractor’s logo shall be displayed however the contractor deems appropriate. There are no restrictions on font, size, or location. The only
restriction is that the contractor’s logo must not conflict with the CMS logo.

- All text, with the exception of items in the header or footer, shall be written in Times New Roman 12 point font.

- All dates in letters, except otherwise specified, shall be in the following format: month/dd/yyyy (e.g., January 26, 2012).

Any exceptions to the above must be approved by the contractor’s CMS Provider Enrollment & Oversight Group Business Function Lead (PEOG BFL).

Letters shall contain fill-in sections as well as static, or “boilerplate” sections. The fill-in sections are delineated by words in brackets in italic font in the model letters.

- The contractor shall populate the fill-in sections with the appropriate information such as primary regulatory citation and specific denial and revocation reasons, names, addresses, etc.

- The fill-in sections shall be indented ½ inch from the normal text of the letter.

- All specific or explanatory (not primary CFR citations) reasons shall appear in bold type.

- There may be more than one primary reason listed.

- The static sections shall be left as-is unless there is specific guidance for removing a section (e.g., removing a CAP section for certain denial and revocation reasons; removing State survey language for certain provider/supplier types that do not require a survey). If there is no guidance for removing a static section, the contractor must obtain approval from its PEOG BFL to modify or remove such a section.

The following do not require PEOG BFL approval:

- Placing a reference number or numbers between the provider/supplier address and the salutation.

- Appropriate documents attached to specific letters as needed.

- Placing language in any letter regarding self-service functions such as the Provider Contact Center Interactive Voice Response (IVR) system and Electronic Data Interchange (EDI) enrollment process.

The contractor shall use the following model letter formats. Unless as stated otherwise in this chapter, any exceptions to these formats must be approved by the contractor’s PEOG BFL.
The above format, with the exception of static and fill-in sections, shall also be used for “as needed” letters (such as letters for individual provider or supplier circumstances).

**B. Sending Letters**

1. The contractor shall issue approval letters within 5 business days of approving the enrollment application in PECOS.

2. For all applications other than the Form CMS-855S, the contractor shall send development/approval letters/revocation letters, etc., to the contact person if one is listed; otherwise, the contractor may send the letter to the provider or supplier at the provider’s/supplier’s correspondence address or special payments address.

**15.24.1 – Model Acknowledgement Letter**


(This letter is optional)

[month] [day], [year]

[Provider/Supplier Name]
[Address]
[City] ST [Zip]

Reference ID: (Case #, Control Number, etc.)

Dear [Provider/Supplier Name]:

Your Medicare enrollment application(s) was received on [date] and [is/are] currently being reviewed. You will receive a letter within 30 calendar days if we need any additional information.

Additional provider/supplier identification information: NPI, DBA Name, etc.

Please retain this letter in case you must submit additional information to support your application. If you have any questions, please contact our office at [phone number] between the hours of [x:00 AM/PM] and [x:00 AM/PM]

Sincerely,

[Name]
[Title]
[Company]
15.24.1.1 – Acknowledgement Letter Example  

June 27, 2012

Timothy Payne, M.D.
1234 Anywhere Street
Elkhart MT 87321

Reference ID: (Case #, Control Number, etc.)

Dear Timothy Payne, M.D.:

Your Medicare enrollment application(s) was received on June 1, 2012 and is currently being reviewed. You will receive a letter within 30 calendar days if we need any additional information.

Additional provider/supplier identification information: NPI, DBA Name, etc.

Please retain this letter in case you must submit additional information to support your application. If you have any questions, please contact our office at 555-555-1212 between the hours of 8:00 AM and 5:00 PM. Sincerely,

William Boatwright
Applications Analyst
Medicare Administrative Contractor, Inc.

15.24.2 – Development Letter Guidance  
(Rev. 463, Issued: 05-17-13, Effective: 04-22-13, Implementation: 06-07-13)

A. In the following sentence:

“Please submit the requested revisions and/or supporting documentation preferably within xx days of the postmarked date of this letter to the address listed below:”

The value in “xx” may be from 7 to 30.

B. Items such as checklists and documents may be attached to the letter.

15.24.2.1 – Model Development Letter  
(Rev. 463, Issued: 05-17-13, Effective: 04-22-13, Implementation: 06-07-13)

[month] [day], [year]

[Provider/Supplier Name]
[Address]
Dear [Provider/Supplier Name]:

We have received your Medicare enrollment application(s). We may reject your application(s) if you do not furnish complete information within 30 calendar days from the postmarked date of this letter pursuant to 42 CFR §424.525. In order to complete processing your application(s), please make the following revisions and/or supply the requested supporting documentation:

[Specify revisions and/or supporting documentation needed]

Please submit the requested revisions and/or supporting documentation within xx days of the postmarked date of this letter to the address listed below:

[Name of MAC]
[Address]
[City], ST [Zip]

Finally, please attach a copy of this letter with your revised application(s). If you have any questions, please contact our office at [phone number] between the hours of [x:00 AM/PM] and [x:00 AM/PM].

Sincerely,

[Name]
[Title]
[Company]

15.24.3 – Model Rejection Letter
(Rev. 463, Issued: 05-17-13, Effective: 04-22-13, Implementation: 06-07-13)

[month] [day], [year]

[Provider/Supplier Name]
[Address]
[City] ST [Zip]

Reference # (PTAN #, Enrollment #, Case #, etc.)

Dear [Provider/Supplier Name]:
We received your Medicare enrollment application(s) on [date]. We are rejecting your application(s) for the following reason(s):

[List all reasons for rejection]

If you would like to resubmit an application, you must complete a new Medicare enrollment application(s). Please address the above issues as well as sign and date the new certification statement page on your resubmitted application(s).

In compliance with Federal regulations found at 42 CFR §424.525, providers and suppliers are required to submit complete application(s) and all supporting documentation within 30 calendar days from the postmark date of the contractor request for missing/incomplete information.

Providers and suppliers can apply to enroll in the Medicare program using one of the following two methods:

1. Internet-based Provider Enrollment, Chain and Organization System (PECOS). Go to: http://www.cms.hhs.gov/MedicareProviderSupEnroll.

2. Paper application process: Download and complete the Medicare enrollment application(s) at http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/EnrollmentApplications.html. DMEPOS suppliers should send the completed application to the National Supplier Clearinghouse (NSC).

Please return the completed application(s) to:

[Name of MAC]
[Address]
[City], ST [Zip]

If you have any questions, please contact our office at [phone number] between the hours of [x:00 AM/PM] and [x:00 AM/PM].

Sincerely,

[Name]
[Title]
[Company]

15.24.4 – Model Returned Application Letter
(Rev. 463, Issued: 05-17-13, Effective: 04-22-13, Implementation: 06-07-13)
[month] [day], [year]

[Provider/Supplier Name]
[Address]
[City] ST [Zip]

Reference # (PTAN #, Enrollment #, Case #, etc.)

Dear [Provider/Supplier Name]:

Your Medicare enrollment application(s) was received on [date]. We are closing this request and returning your application(s) for the following reason(s):

[List all reasons for return]

If you would like to resubmit an application, you must complete a new Medicare enrollment application(s). Please address the above issues as well as sign and date the new certification statement page on your resubmitted application(s).

Providers and suppliers can apply to enroll in the Medicare program using one of the following two methods:

1. Internet-based Provider Enrollment, Chain and Organization System (PECOS). Go to: http://www.cms.hhs.gov/MedicareProviderSupEnroll.

2. Paper application process: Download and complete the Medicare enrollment application(s) at http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/EnrollmentApplications.html. DMEPOS suppliers should send the completed application to the National Supplier Clearinghouse (NSC).

Please return the completed application(s) to:

[Name of MAC]
[Address]
[City], ST [Zip]

If you have any questions, please contact our office at [phone number] between the hours of [x:00 AM/PM] and [x:00 AM/PM].

Sincerely,

[Name]
PROVIDER/SUPPLIER NAME       NPI:
ADDRESS 1, ADDRESS 2        PTAN:
city state zip code

Dear Provider/Supplier Name:

THIS IS A PROVIDER ENROLLMENT REVALIDATION REQUEST

IMMEDIATELY SUBMIT AN UPDATED

PROVIDER ENROLLMENT PAPER APPLICATION 855 FORM OR

REVIEW, UPDATE AND CERTIFY YOUR INFORMATION

VIA THE INTERNET-BASED PECOS SYSTEM

In accordance with Section 6401(a) of the Patient Protection and Affordable Care Act, all new and existing providers must be reevaluated under the new screening guidelines. Medicare requires all enrolled providers and suppliers to revalidate their enrollment information every five years (reference 42 CFR §424.515). To ensure compliance with these requirements, existing regulations at 42 CFR §424.515(d) provide that the Centers for Medicare & Medicaid Services (CMS) is permitted to conduct off-cycle revalidations for certain program integrity purposes. Upon the CMS request to revalidate its enrollment, the provider/supplier has 60 days from the post mark date of this letter to submit complete enrollment information using one of the following methods:

Providers and suppliers can revalidate their provider enrollment in the Medicare program using either the:

(1) Internet-based Provider Enrollment, Chain, and Ownership System (PECOS)

To revalidate via the Internet-based PECOS, go to https://pecos.cms.hhs.gov. The system allows you to review information currently on file, upload any supporting documentation, and electronically sign and submit your revalidation
application. If you choose not to electronically sign your application, remember
to print, sign, date, and mail the certification statement along with all required
supporting documentation to your Medicare contractor. To process the
revalidation, the original signature and documentation must be received within
15 days of the application internet submission date.

You must have an active National Provider Identifier (NPI) and a web user
account (User ID/Password) established in the Identity and Access Management
System (I&A) (https://nppes.cms.hhs.gov/IAWeb/login.do). Physicians and
non-physician practitioners will access Internet-based PECOS with the same
User ID and password that they use for NPPES.

For provider/supplier organizations that would like an individual(s) (Authorized
Official, surrogate) to use Internet-based PECOS on their behalf, an account
must be established in the I&A system. If you have not registered, do so now by
going to https://pecos.cms.hhs.gov and clicking on “Register for a user account”
under the “Become a Registered User” section.

To avoid any registration issues, review the I&A related documents available on

(2) Paper Application Form

To revalidate by paper, download the appropriate and current CMS-855
Medicare Enrollment application from the CMS Web site at
https://www.cms.gov/MedicareProviderSupEnroll/. Mail your completed
application and all required supporting documentation to the [insert contractor
name], at the address below.

[Insert application return address]

A new Electronic Funds Transfer (EFT) Authorization Form (CMS-588) is only
required to be submitted as part of your revalidation package if the current version or
later, approved by the Office of Management and Budget (OMB) on 09/2013, is not on
file with Medicare. The current version of the form can be found at

If additional time is required to complete the revalidation application, you may request
one 60-day extension, which will be added onto the initial 60 days given to respond to
the request. The request may be submitted in writing from the individual provider, the
Authorized or Delegated Official of the organization, or the contact person and should
be addressed to the MAC(s). The request should include justification of why a 60-day
extension is needed. The request may also be made by contacting your MAC(s) via
phone.

With the exception of physicians, non-physicians practitioners, physician group
practices and non-physician practitioner group practices, all revalidating providers and suppliers that submit enrollment applications using the CMS-855A, CMS-855B (not including physician and non-physician practitioner organizations) or the CMS-855S or associated Internet-based PECOS enrollment application must submit with their application a confirmation that the application fee was paid or a request for a hardship exception. (Note: physicians who are DMEPOS suppliers are subject to the fee for the DMEPOS enrollment). Application fees must be submitted via PECOS at https://pecos.cms.hhs.gov/pecos/feePaymentWelcome.do, which will allow payment of the fee by electronic check, debit, or credit card prior to submitting the application (reference 42 CFR §424.514)). If you feel you qualify for a hardship exception waiver, submit a letter on practice letterhead and financial statements requesting a waiver in lieu of the enrollment fee, along with your application or certification statement. Revalidations are processed only when application fees have cleared or the hardship exception waiver has been granted. You will be notified by mail if your hardship exception waiver request has been granted or if a fee is required. More information on who is subject to an enrollment fee can be found at https://www.cms.gov/MedicareProviderSupEnroll/Downloads/ApplicationFeeRequirementMatrix.pdf.

For more information on application fees and other screening requirements under the Patient Protection and Affordable Care Act (PPACA), view the MLN Matters Article at http://www.cms.gov/MLNMattersArticles/downloads/MM7350.pdf.

Physicians, non-physician practitioners, and physician and non-physician practitioner organizations must report a change of ownership, any adverse legal action, or a change of practice location to the MAC within 30 days. All other changes must be reported within 90 days. For most but not all other providers and suppliers, changes of ownership or control (including changes in authorized official(s)) must be reported within 30 days; all other changes to enrollment information must be made within 90 days.

Failure to submit complete enrollment application(s) and all supporting documentation within 60 calendar days of the postmark date of this letter may result in your Medicare billing privileges being deactivated. We strongly recommend you mail your documents using a method that allows for proof of receipt.

If you have any questions regarding this letter, please call [insert contractor telephone number] between the hours of [insert contractor telephone hours] or visit our website at [insert website] for additional information regarding the enrollment process or the [insert application type].

Sincerely,

[Your Name]
[Title]
[Month Day & Year]

PROVIDER/SUPPLIER NAME       NPI:
ADDRESS 1, ADDRESS 2     PTAN:
CITY STATE ZIP CODE

Dear Provider/Supplier Name:

THIS IS A PROSPECTIVE PROVIDER ENROLLMENT REVALIDATION REQUEST
IMMEDIATELY SUBMIT AN UPDATED PROVIDER ENROLLMENT PAPER APPLICATION 855 FORM TO VALIDATE YOUR ENROLLMENT INFORMATION

In accordance with Section 6401 (a) of the Patient Protection and Affordable Care Act, all new and existing providers must be reevaluated under the new screening guidelines. Medicare requires all enrolled providers and suppliers to revalidate their enrollment information every five years (reference 42 CFR §424.515). To ensure compliance with these requirements, existing regulations at 42 CFR §424.515(d) provide that the Centers for Medicare & Medicaid Services (CMS) is permitted to conduct off-cycle revalidations for certain program integrity purposes. Upon the CMS request to revalidate its enrollment, the provider/supplier has 60 days from the post mark date of this letter to submit complete enrollment information.

You previously submitted a change of ownership (CHOW) application that is currently being reviewed by the CMS Regional Office (RO) and the State Agency. Since your application has not been finalized, please validate that we have the most current information on file. Any updated information received since your initial submission will be forwarded to the CMS RO and the State Agency for their final determination.

Providers and suppliers can validate their provider enrollment information using the paper application form. To validate by paper, download the appropriate and current CMS-855 Medicare Enrollment application from the CMS Web site at https://www.cms.gov/MedicareProviderSupEnroll/. Mail your completed application and all required supporting documentation to the [insert contractor name], at the address below.

[Insert application return address]

A new Electronic Funds Transfer (EFT) Authorization Form (CMS-588) is only
required to be submitted as part of your revalidation package if the current version or later, approved by the Office of Management and Budget (OMB) on 09/2013, is not on file with Medicare. The current version of the form can be found at http://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS588.pdf.

If additional time is required to complete the validation applications, you may request one 60-day extension, which will be added onto the initial 60 days given to respond to the request. The request may be submitted in writing from the individual provider, the Authorized or Delegated Official of the organization or the contact person and addressed to the MAC(s). The request should include justification of why a 60-day extension is needed. The request may also be made by contacting your MAC(s), via phone.

Physicians, non-physician practitioners and physician and non-physician practitioner organizations must report a change of ownership, any adverse legal action, or a change of practice location to the MAC within 30 days. All other changes must be reported within 90 days. For most but not all other providers and suppliers, changes of ownership or control, including changes in authorized official(s) must be reported within 30 days; all other changes to enrollment information must be made within 90 days.

Failure to submit complete enrollment application(s) and all supporting documentation within 60 calendar days of the postmark date of this letter may result in your Medicare billing privileges being deactivated and your CHOW not being processed. We strongly recommend you mail your documents using a method that allows for proof of receipt.

If you have any questions regarding this letter, please call [contractor telephone number will be inserted here] between the hours of [contractor telephone hours will be inserted here] or visit our Web site at [insert Web site] for additional information regarding the enrollment process or the [insert application type].

Sincerely,

[Your Name]
[Title]

15.24.5.2 – Model Large Group Revalidation Notification Letter

[Month Day & Year]
Dear Provider/Supplier Group Name:

THIS IS NOT A PROVIDER ENROLLMENT REVALIDATION REQUEST

This is to inform you that a number of physicians and/or non-physician practitioners reassigning all or some of their benefits to your group have been selected for revalidation. For your convenience, a list of those individuals is attached. A revalidation notice will be sent to the physician or non-physician practitioner within 60 days. He or she will have 60 days from the post mark date of the letter to revalidate his or her enrollment information. It is the responsibility of the physician or non-physician practitioner to revalidate all of his or her Medicare enrollment information and not simply that associated with the reassignment to your group practice.

In accordance with Section 6401 (a) of the Patient Protection and Affordable Care Act, all new and existing providers must be reevaluated under the new screening guidelines. Medicare requires all enrolled providers and suppliers to revalidate their enrollment information every five years (reference 42 CFR §424.515). To ensure compliance with these requirements, existing regulations at 42 CFR §424.515(d) provide that the Centers for Medicare & Medicaid Services (CMS) is permitted to conduct off-cycle revalidations for certain program integrity purposes.

Physicians and non-physician practitioners can revalidate by using either Internet-based PECOS or submitting a paper CMS-855 enrollment application. Failure to submit a complete revalidation application and all supporting documentation within 60 calendar days may result in the physician or non-physician practitioner’s Medicare billing privileges being deactivated. As such, your group will no longer be reimbursed for services rendered by the physician or non-physician practitioner.

If you have any questions regarding this letter, please call [contractor telephone number will be inserted here] between the hours of [contractor telephone hours will be inserted here] or visit our Web site at [insert Web site] for additional information regarding the revalidation process.

Sincerely,

[Your Name]
[Title]

15.24.5.3 – Model Revalidation Pend Letter

[Month Day & Year]
Dear Provider/Supplier Name:

TERMINATION OF PAYMENTS NOTICE.

IN ORDER TO RESUME PAYMENTS, IMMEDIATELY SUBMIT AN UPDATED PROVIDER ENROLLMENT PAPER APPLICATION CMS-855 FORM OR REVIEW, UPDATE AND CERTIFY YOUR INFORMATION VIA THE INTERNET-BASED PECOS SYSTEM

This is to inform you that all claims associated with your Medicare Provider Transaction Access Number (PTAN) [insert PTAN] have been placed in a Pend status effective [insert effective date of Pend], due to the failure to respond to a revalidation request mailed on [insert revalidation request date]. As a result, you will not receive any paper checks, Standard Remittance Advices (SPRs), or Electronic Funds Transfers (EFT). The Centers for Medicare & Medicaid Services (CMS) has the authority to perform off-cycle revalidations consistent with Medicare regulations found at 42 CFR §424.515.

To resolve this issue and to continue to bill the Medicare program for services furnished to Medicare beneficiaries, you must complete and submit a Medicare enrollment application. Failure to submit this information could result in the deactivation of your Medicare billing privileges. Providers and suppliers can revalidate their provider enrollment in the Medicare program using either the:

(1) Internet-based Provider Enrollment, Chain, and Ownership System (PECOS)

To revalidate via the Internet-based PECOS, go to https://pecos.cms.hhs.gov. The system allows you to review information currently on file, upload any supporting documentation, and electronically sign and submit your revalidation application. If you choose not to electronically sign your application, remember to print, sign, date, and mail the certification statement along with all required supporting documentation to your Medicare contractor. To process the revalidation, the original signature and documentation must be received within 15 days of the application internet submission date.

You must have an active National Provider Identifier (NPI) and a web user account (User ID/Password) established in the Identity and Access Management System (I&A) (https://nppes.cms.hhs.gov/IAWeb/login.do). Physicians and non-physician practitioners will access Internet-based PECOS with the same User ID and password that they use for NPPES.
For provider/supplier organizations that would like an individual(s) (Authorized Official, surrogate) to use Internet-based PECOS on their behalf, an account must be established in the I&A system. If you have not registered, do so now by going to https://pecos.cms.hhs.gov and clicking on “Register for a user account” under the “Become A Registered User” section.


(2) Paper Application Form

To revalidate by paper, download the appropriate and current CMS-855 Medicare Enrollment application from the CMS Web site at https://www.cms.gov/MedicareProviderSupEnroll/. Mail your completed application and all required supporting documentation to the [insert contractor name], at the address below.

[Insert application return address]

A new Electronic Funds Transfer (EFT) Authorization Form (CMS-588) is only required to be submitted as part of your revalidation package if the current version or later, approved by the Office of Management and Budget (OMB) on 09/2013, is not on file with Medicare. The current version of the form can be found at http://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS588.pdf.

If additional time is required to complete the revalidation application, you may request one 60-day extension, which will be added onto the initial 60 days given to respond to the request. The request may be submitted in writing from the individual provider, the Authorized or Delegated Official of the organization or the contact person, and should be addressed to the MAC(s). The request should include justification of why a 60-day extension is needed. The request may also be made by contacting your MAC(s), via phone.

With the exception of physicians, non-physicians practitioners, physician group practices, and non-physician practitioner group practices, all other revalidating providers and suppliers that submit enrollment applications using the CMS-855A, CMS-855B (not including physician and non-physician practitioner organizations) or the CMS-855S or associated Internet-based PECOS enrollment application must submit with their application a confirmation that the application fee was paid or a request for a hardship exception. (Note: Physicians that are DMEPOS suppliers are subject to the fee for the DMEPOS enrollment). Application fees must be submitted via PECOS at https://pecos.cms.hhs.gov/pecos/feePaymentWelcome.do, which will allow payment of the fee by electronic check, debit, or credit card prior to submitting the application (reference 42 CFR 424.514). If you believe you qualify for a hardship exception waiver, submit a letter on practice letterhead and financial statements requesting a waiver in lieu of the enrollment fee, along with your application or certification.
statement. Revalidations are processed only when application fees have cleared or the hardship exception waiver has been granted. You will be notified by mail if your hardship exception waiver request has been granted or if a fee is required. More information on who is subject to an enrollment fee can be found at https://www.cms.gov/MedicareProviderSupEnroll/Downloads/ApplicationFeeRequirementMatrix.pdf. For more information on the application fees and other screening requirements under the Patient Protection and Affordable Care Act (PPACA) view the MLN Matters Article at http://www.cms.gov/MLNMattersArticles/downloads/MM7350.pdf.

Physicians, non-physician practitioners, and physician and non-physician practitioner organizations must report a change of ownership, any adverse legal action, or a change of practice location to the MAC within 30 days. All other changes must be reported within 90 days. For most but not all other providers and suppliers, changes of ownership or control (including changes in authorized official(s)) must be reported within 30 days; all other changes to enrollment information must be made within 90 days.

The Pend status is considered an administrative function to protect against the misuse of your billing number and to protect the Medicare Trust Funds from unnecessary overpayments. This action does not have any effect on your participation agreement and/or any conditions of participation. Failure to submit complete enrollment application(s) and all supporting documentation may result in your Medicare billing privileges being deactivated. We strongly recommend you mail your documents using a method that allows for proof of receipt.

If you have any questions regarding this letter, please call [contractor telephone number will be inserted here] between the hours of [contractor telephone hours will be inserted here] or visit our Web site at [insert Web site] for additional information regarding the enrollment process or the [insert application type].

Sincerely,

[Your Name]
[Title]

15.24.5.4 – Model Revalidation Deactivation Letter

[Month Day & Year]

PROVIDER/SUPPLIER NAME
NPI:
ADDRESS 1, ADDRESS 2
PTAN:
CITY STATE ZIP CODE

Dear Provider/Supplier Name:
This is to inform you that your Medicare Provider Transaction Access Number (PTAN) [insert PTAN] that is associated to the National Provider Identifier (NPI) [insert NPI] has been deactivated effective [insert effective date of deactivation] due to the failure to respond to a revalidation request mailed on [insert revalidation request date]. The Centers for Medicare & Medicaid Services (CMS) has the authority to perform off-cycle revalidations consistent with Medicare regulations found at 42 CFR §424.515 and 42 CFR §424.57.

To reactivate your Medicare billing privileges and to bill the Medicare program for services furnished to Medicare beneficiaries, you must complete and submit a Medicare enrollment application. Providers and suppliers must meet all current Medicare requirements in place at the time of reactivation. Providers and suppliers can reactivate using the following options:

(1) Internet-based Provider Enrollment, Chain and Ownership System (PECOS).

To revalidate via the Internet-based PECOS, go to https://pecos.cms.hhs.gov. The system allows you to review information currently on file, upload any supporting documentation, and electronically sign and submit your revalidation application. If you choose not to electronically sign your application, remember to print, sign, date, and mail the certification statement along with all required supporting documentation to your Medicare contractor. To process the revalidation, the original signature and documentation must be received within 15 days of the application internet submission date.

You must have an active National Provider Identifier (NPI) and a web user account (User ID/Password) established in the Identity and Access Management System (I&A) (https://nppes.cms.hhs.gov/IAWeb/login.do). Physicians and non-physician practitioners will access Internet-based PECOS with the same User ID and password that they use for NPPES.

For provider/supplier organizations that would like an individual(s) (Authorized Official, surrogate) to use Internet-based PECOS on their behalf, an account must be established in the I&A system. If you have not registered, do so now by going to https://pecos.cms.hhs.gov and clicking on “Register for a user account” under the “Become a Registered User” section.

(2) Paper Application Form

To revalidate by paper, download the appropriate and current CMS-855 Medicare Enrollment application from the CMS Web site at https://www.cms.gov/MedicareProviderSupEnroll/. Mail your completed application and all required supporting documentation to the [insert contractor name], at the address below.

[Insert application return address]

A new Electronic Funds Transfer (EFT) Authorization Form (CMS-588) is only required to be submitted as part of your revalidation package if the current version or later, approved by the Office of Management and Budget (OMB) on 09/2013, is not on file with Medicare. The current version of the form can be found at http://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS588.pdf.

With the exception of physicians, non-physician practitioners, physician group practices, and non-physician practitioner group practices, all revalidating providers and suppliers that submit enrollment applications using the CMS-855A, CMS-855B (not including physician and non-physician practitioner organizations) or the CMS-855S or associated Internet-based PECOS enrollment application must submit with their application a confirmation that the application fee was paid or a request for a hardship exception. (Note: Physicians who are DMEPOS suppliers are subject to the fee for the DMEPOS enrollment). Application fees must be submitted via PECOS https://pecos.cms.hhs.gov/pecos/feePaymentWelcome.do, which will allow payment of the fee by electronic check, debit, or credit card prior to submitting the application (reference 42 CFR §424.514). If you believe that you qualify for a hardship exception waiver, submit a letter on practice letterhead and financial statements requesting a waiver in lieu of the enrollment fee, along with your application or certification statement. Revalidations are processed only when application fees have cleared or the hardship exception waiver has been granted. You will be notified by mail if your hardship exception waiver request has been granted or if a fee is required. More information on who is subject to an enrollment fee can be found at https://www.cms.gov/MedicareProviderSupEnroll/Downloads/ApplicationFeeRequirementMatrix.pdf.

For more information on the application fees and other screening requirements under the Patient Protection and Affordable Care Act (PPACA), view the MLN Matters Article at http://www.cms.gov/MLNMattersArticles/downloads/MM7350.pdf.

Physicians, non-physician practitioners, and physician and non-physician practitioner organizations must report a change of ownership, any adverse legal action, or a change
of practice location to the MAC within 30 days. All other changes must be reported within 90 days. For most, but not all other providers and suppliers, changes of ownership or control (including changes in authorized official(s)) must be reported within 30 days; all other changes to enrollment information must be made within 90 days.

The deactivation of Medicare billing privileges is considered an action to protect from the misuse of your billing number and to protect the Medicare Trust Funds from unnecessary overpayments. This deactivation does not have any effect on your participation agreement and/or any conditions of participation.

If you have any questions regarding this letter, please call [contractor telephone number will be inserted here] between the hours of [contractor telephone hours will be inserted here] or visit our Web site at [insert Web site] for additional information regarding the enrollment process or the [insert application type].

Sincerely,

[Your Name]
[Title]

15.24.6 – Model Approval Recommended Letters
(Rev. 514, Issued: 05-02-14; Effective: 06-03-14; Implementation: 06-03-14)

15.24.6.1 – Initial Enrollments Requiring Referral to the State
(Rev. 514, Issued: 05-02-14; Effective: 06-03-14; Implementation: 06-03-14)

[month] [day], [year]

[Provider/Supplier Name]
[Address]
[City] ST [Zip]

Reference # (PTAN #, Enrollment #, Case #, etc.)

Dear [Provider/Supplier Name]:

[Contractor name] has assessed your Medicare enrollment application and has forwarded it to [Name of State Office]. A copy has also been sent to the [City] Regional Office of the Centers for Medicare & Medicaid Services (CMS). [If – and only if - a survey or accreditation is required, include the following language: “The next step will be a survey conducted by a State Survey Agency or a CMS approved deemed accrediting organization to ensure compliance with the required conditions of (insert “participation” or “coverage,” as applicable.)] After the CMS Regional Office
determines whether all conditions of (insert “participation” or “coverage,” as applicable) are met, we will send you our decision.

If you have any questions concerning this letter, please contact [Name of State Office] at [contact information].

Sincerely,

[Name]  
[Title]  
[Company]

15.24.6.2 – Initial Enrollments Requiring Direct Referral to the Regional Office (Including Federally Qualified Health Centers)  
(Rev. 514, Issued: 05-02-14; Effective: 06-03-14; Implementation: 06-03-14)

[month] [day], [year]

[Provider/Supplier Name]  
[Address]  
[City] ST [Zip]

Reference # (PTAN #, Enrollment #, Case #, etc.)

Dear [Provider/Supplier Name]:

[Contractor name] has assessed your Medicare enrollment application and has forwarded it to the [City] Regional Office of the Centers for Medicare & Medicaid Services (CMS). After the CMS Regional Office determines whether all conditions of (insert “participation” or “coverage,” as applicable) are met, we will send you our decision.

If you have any questions concerning this letter, please contact [Name of Regional Office] at [contact information].

Sincerely,

[Name]  
[Title]  
[Company]

15.24.6.3 – Changes of Information  
(Rev. 514, Issued: 05-02-14; Effective: 06-03-14; Implementation: 06-03-14)

This letter shall be used for change requests that require a referral to the State and/or
Regional Office (RO) (as applicable). See the appropriate sections of this chapter for information on changes that mandate referral to the State and/or RO.

15.24.6.3.1 – Changes of Information Requiring Referral to the State
(Rev. 514, Issued: 05-02-14; Effective: 06-03-14; Implementation: 06-03-14)

[month] [day], [year]

[Provider/Supplier Name]
[Address]
[City] ST [Zip]

Reference # (PTAN #, Enrollment #, Case #, etc.)

Dear [Provider/Supplier Name]:

[Contractor name] has assessed your request to update your Medicare enrollment information and has forwarded it to [Name of State Office]. A copy has also been sent to the [City] Regional Office of the Centers for Medicare & Medicaid Services (CMS). Once the CMS Regional Office completes its final review of your request, we will send you our decision.

If you have any questions concerning this letter, please contact [Name of State Office] at [contact information].

Sincerely,

[Name]
[Title]
[Company]

15.24.6.3.2 – Changes of Information Requiring Direct Referral to the Regional Office
(Rev. 514, Issued: 05-02-14; Effective: 06-03-14; Implementation: 06-03-14)

(This letter shall be used for change requests that require a referral to the RO but not the State because there is no State involvement with these provider/supplier types (e.g., federally qualified health centers))

[month] [day], [year]

[Provider/Supplier Name]
[Address]
[City] ST [Zip]
Reference # (PTAN #, Enrollment #, Case #, etc.)

Dear [Provider/Supplier Name]:

[Contractor name] has assessed your request to update your Medicare enrollment information and has forwarded it to the [City] Regional Office of the Centers for Medicare & Medicaid Services (CMS). Once the CMS Regional Office completes its final review of your request, we will send you our decision.

If you have any questions concerning this letter, please contact [Name of State Office] at [contact information].

Sincerely,

[Name]  
[Title]  
[Company]

15.24.6.4 – Potential Changes of Ownership Under the Principles of §489.18  
(Rev. 514, Issued: 05-02-14; Effective: 06-03-14; Implementation: 06-03-14)

(These letters shall be used for potential changes of ownership under the principles of §489.18.)

15.24.6.4.1 – Potential Changes of Ownership Under the Principles of §489.18 - Referral to the State Required  
(Rev. 514, Issued: 05-02-14; Effective: 06-03-14; Implementation: 06-03-14)

[month] [day], [year]

[Provider/Supplier Name]  
[City] [State][Zip]

Reference # (PTAN #, Enrollment #, Case #, etc.)

Dear [Provider/Supplier Name]:

[Contractor name] has assessed your change of ownership application and has forwarded it to [Name of State Office]. A copy has also been sent to the [City] Regional Office of the Centers for Medicare & Medicaid Services (CMS). Once the CMS Regional Office completes its final review of your application, we will send you
our decision.

If you have any questions concerning this letter, please contact [Name of State Office] at [contact information].

Sincerely,

[Name]
[Title]
[Company]

15.24.6.4.2 – Potential Changes of Ownership Under the Principles of §489.18 –Direct Referral to the Regional Office Required
(Rev. 514, Issued: 05-02-14; Effective: 06-03-14; Implementation: 06-03-14)

[month] [day], [year]

[Provider/Supplier Name]
[Address]
[City] ST [Zip]

Reference # (PTAN #, Enrollment #, Case #, etc.)

Dear [Provider/Supplier Name]:

[Contractor name] has assessed your change of ownership application and has forwarded it to the [City] Regional Office of the Centers for Medicare & Medicaid Services (CMS). Once the CMS Regional Office completes its final review of your application, we will send you our decision.

If you have any questions concerning this letter, please contact [Name of State Office] at [contact information].

Sincerely,

[Name]
[Title]
[Company]

15.24.7 – Approval Letter Guidance
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

(The contractor may mail, e-mail, or fax the approval letter to the provider or supplier. If the fax or e-mail is not received by the provider or supplier, a letter shall be mailed.)
• Depending on the type of approval, one of the following shall be selected for insertion in the first sentence:

  [Initial Medicare enrollment application]
  [Revalidated Medicare enrollment application]
  [Change of information request]
  [Add/Terminate a Reassignment of Benefits request]

• If provider/supplier is NOT exclusively ordering or certifying, REMOVE the following sentence:

  This application is for the sole purpose of ordering or certifying items or services for Medicare beneficiaries to other providers and suppliers.

• Ordering or Certifying Providers

  The last two sentences of the 1st paragraph shall be the following:

  Listed below is your National Provider Identifier (NPI). To start billing, you must use your NPI on all Medicare claim submissions.

  REMOVE paragraph 2 and paragraph 3, which refer to PTAN usage.

  If provider/supplier IS exclusively ordering or certifying, REMOVE the following three fields:

  Practice location: [Address]
  Provider Transaction Access Number (PTAN): [PTAN]
  You are a: [participating]/[non-participating]

  The effective date field shall remain in the letter and reflect the date on which the contractor received the signed paper CMS-855O form or the Web-based certification statement/e-signature.

  Effective date: [Effective date or Termination date of Ordering or Certifying Status]

• Revalidated and Change of Ownership (CHOW) Approvals

  For revalidated and Change of Ownership (CHOW) approvals, paragraphs #2 and #3 of the letter are optional.
• If letter is NOT approving a Change of Ownership (CHOW), REMOVE the following field:

    Medicare Year End Cost Report Date: [Date]

• On the effective date field, if voluntarily terminating Medicare participation, insert “of termination” after “Effective date”

• Physicians, certain non-physician practitioners, and physician and non-physician practitioner organizations may appeal their effective date made by the contractor (JSM/TDL-11023)

• Supply additional “Medicare Enrollment Information” for each additional location and NPI/PTAN combination) only when approving an Initial or Revalidation application. If multiple locations and NPI/PTAN combinations exist, a separate document identifying this information shall be attached to the approval letter.

• Changes of information submitted to report a change to a data element other than those listed as one of the predefined elements, shall be added to the predefined list under the Medicare Enrollment Information section to acknowledge the change has been incorporated.

• The 2nd, 3rd and 4th paragraphs may be edited or deleted in appropriate circumstances:

    To start billing, you must use your NPI on all Medicare claim submissions. Because the PTAN is not considered a Medicare legacy identifier, do not report it as an “other” provider identification number to the National Plan and Provider Enumeration System (NPPES).

    Your PTAN has been activated and will be the required authentication element for all inquiries to customer service representatives (CSRs), written inquiry units, and the interactive voice response (IVR) system. The IVR allows you to inquire about claims status, beneficiary eligibility and transaction information.

    If you plan to file claims electronically, please contact our EDI department at [phone number].

• Under “Medicare Enrollment Information, for group member enrollment, the following fields may be added:

    Group National Provider Identifier (NPI): [NPI]
    Group Provider Transaction Access Number (PTAN): [PTAN]
Dear [Provider/Supplier Name]:

We are pleased to inform you that your [initial Medicare enrollment application]/[revalidated Medicare enrollment application]/[change of information request] is approved. This application is for the sole purpose of ordering and referring items or services for Medicare beneficiaries to other providers and suppliers. Listed below are your National Provider Identifier (NPI) and Provider Transaction Access Number (PTAN).

To start billing, you must use your NPI on all Medicare claim submissions. Because the PTAN is not considered a Medicare legacy identifier, do not report it as an “other” provider identification number to the National Plan and Provider Enumeration System (NPPES).

Your PTAN has been activated and will be the required authentication element for all inquiries to customer service representatives (CSRs), written inquiry units, and the interactive voice response (IVR) system. The IVR allows you to inquire about claims status, beneficiary eligibility and transaction information.

If you plan to file claims electronically, please contact our EDI department at [phone number].

Medicare Enrollment Information

Provider / Supplier name: [Name]
Practice location: [Address]
National Provider Identifier (NPI): [NPI]
Provider Transaction Access Number (PTAN): [PTAN]
Specialty: [Provider specialty]
You are a: [participating]/[non-participating]
Effective date: [Effective date or Effective date of termination]
Medicare Year-End Cost Report date: [Date]
Please verify the accuracy of your enrollment information.

You are required to submit updates and changes to your enrollment information in accordance with specified timeframes pursuant to 42 CFR §424.516. Reportable changes include, but are not limited to, changes in: (1) legal business name (LBN)/tax identification number (TIN), (2) practice location, (3) ownership, (4) authorized/delegated officials, (5) changes in payment information such as electronic funds transfer information and (6) final adverse legal actions, including felony convictions, license suspensions or revocations, an exclusion or debarment from participation in Federal or State health care program, or a Medicare revocation by a different Medicare contractor.

Providers and suppliers may enroll or make changes to their existing enrollment in the Medicare program using the Internet-based Provider Enrollment, Chain and Organization System (PECOS). Go to: www.cms.hhs.gov/MedicareProviderSupEnroll.

Providers and suppliers enrolled in Medicare are required to ensure strict compliance with Medicare regulations, including payment policy and coverage guidelines. CMS conducts numerous types of compliance reviews to ensure providers and suppliers are meeting this obligation. Please visit the Medicare Learning Network at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/index.html for further information about regulations and compliance reviews, as well as Continuing Medical Education (CME) courses for qualified providers.

Additional information about the Medicare program, including billing, fee schedules, and Medicare policies and regulations can be found at our Web site at [insert contractor’s web address] or the Centers for Medicare & Medicaid Services (CMS) Web site at http://www.cms.hhs.gov/home/medicare.asp.

If you disagree with the effective date determination in this letter, you may request a reconsideration before a contractor hearing officer. The reconsideration is an independent review and will be conducted by a person who was not involved in the initial determination. You must request the reconsideration in writing to this office within 60 calendar days of the postmark date of this letter. The reconsideration must state the issues or findings of fact with which you disagree and the reasons for disagreement. You may submit the additional information with the reconsideration request that you believe may have a bearing on the decision. However, if you have additional information that you would like a hearing officer to consider during the reconsideration or, if necessary, an administrative law judge to consider during a hearing, you must submit that information with your request for reconsideration. This is your only opportunity to submit information during the administrative appeals process; you will not have another opportunity to do so unless an administrative law judge specifically allows you to do so under 42 CFR §498.56(e).
The reconsideration request must be signed and dated by the physician, non-physician practitioner or any responsible authorized or delegated official within the entity. Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review.

The reconsideration request should be sent to:

[Name of MAC]  
[Address]  
[City], ST [Zip]

If you have any questions, please contact our office at [phone number] between the hours of [x:00 AM/PM] and [x:00 AM/PM].

Sincerely,

[Name]  
[Title]  
[Company]

15.24.8 – Denial Letter Guidance  
(Rev. 463, Issued: 05-17-13, Effective: 04-22-13, Implementation: 06-07-13)

- The contractor must submit one or more of 10 Primary Denial Citations as found in x.x.x into the appropriate section on the Model Denial Letter. Only the CFR citation and a short heading shall be cited for the primary denial reason.

- The contractor may submit a Specific Denial Reason, as appropriate. The Specific Denial Reason should state sufficient details so it is clear as to why the provider or supplier is being denied.

- Specific Denial Reasons may contain one or more of the following items:
  - A specific regulatory (CFR) citation.
  - Dates (of actions, suspensions, convictions, receipt of documents, etc.)
  - Pertinent details of action(s)

- National Supplier Clearinghouse (NSC) only language. All denial letters for the NSC shall replace the 1st paragraph of the model denial letter with the following text:

  Your application to enroll in Medicare is denied. After reviewing your submitted application document(s), it was determined that per 42 CFR §405.800, 42 CFR §424.57, and 42 CFR §498.22, that
you do not meet the conditions of enrollment or meet the requirements to qualify as a Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) provider or supplier for the following reason(s):

Exclusions and sanctions – the following two sentences should be REMOVED for all denial letters that DO NOT involve an exclusion or sanction action:

You may not appeal through this process the merits of any exclusion by another federal agency. Any further permissible administrative appeal involving the merits of such exclusion must be filed with the federal agency that took the action.

For IDTF and DMEPOS providers and suppliers, each regulatory citation needs to be listed along with the specific regulatory language. For IDTF, the standards are found in 42 CFR §410.33(g) 1 through 17. For DMEPOS providers and suppliers, the standards are found in 42 CFR §424.57(c) 1 through 30.

15.24.8.1 – Model Denial Letter

[month] [day], [year]

[Provider/Supplier Name]
[Address]
[City] ST [Zip]

Reference # (Contractor Control Number or NPI)

Dear [Provider/Supplier Name]:

Your application to enroll in Medicare is denied for the following reason(s):

xx CFR §xxx.(x) [heading]

[Specific reason]

xx CFR §xxx.(x) [heading]

[Specific reason]

If you believe that you are able to correct the deficiencies and establish your eligibility to participate in the Medicare program, you may submit a corrective action plan (CAP) within 30 calendar days after the postmark date of this letter. The CAP should provide evidence that you are in compliance with Medicare requirements. The CAP request
must be signed by the authorized or delegated official within the entity. CAP requests should be sent to:

[Name of MAC]  
[Address]  
[City], ST [Zip]  

If you believe that this determination is not correct, you may request a reconsideration before a contractor hearing officer. The reconsideration is an independent review and will be conducted by a person not involved in the initial determination. You must request the reconsideration in writing to this office within 60 calendar days of the postmark date of this letter. The reconsideration must state the issues or findings of fact with which you disagree and the reasons for disagreement. You may submit additional information with the reconsideration that you believe may have a bearing on the decision. However, if you have additional information that you would like a hearing officer to consider during the reconsideration or, if necessary, an administrative law judge to consider during a hearing, you must submit that information with your request for reconsideration. This is your only opportunity to submit information during the administrative appeals process; you will not have another opportunity to do so unless an administrative law judge specifically allows you to do so under 42 CFR §498.56(e).  

The reconsideration must be signed and dated by the authorized or delegated official within the entity. Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review.  

You may not appeal through this process the merits of any exclusion by another Federal agency. Any further permissible administrative appeal involving the merits of such exclusion must be filed with the Federal agency that took the action.  

The reconsideration request should be sent to:  

[Name of MAC]  
[Address]  
[City], ST [Zip]  

If you have any questions, please contact our office at [phone number] between the hours of [x:00 AM/PM] and [x:00 AM/PM].  

Sincerely,  

[Name]  
[Title]  
[Company]  

15.24.8.2 – Denial Example #1 – Discipline Not Eligible
June 5, 2012

Xantippe Jones, LMFT
7824 Freudian Way
Yakima, WA 94054

Reference # (Contractor Control Number or NPI)

Dear Mr. Jones:

Your application to enroll in Medicare is denied for the following reason(s):

42 CFR §424.530(a)(1) – Not in Compliance with Medicare Requirements

There is no statutory or regulatory basis which permits a Marriage and Family Therapist to enroll or receive payment in the Medicare Program.

If you believe that you are able to correct the deficiencies and establish your eligibility to participate in the Medicare program, you may submit a corrective action plan (CAP) within 30 calendar days after the postmark date of this letter. The CAP should provide evidence that you are in compliance with Medicare requirements. The CAP request must be signed by the authorized or delegated official within the entity. CAP requests should be sent to:

Medicare Administrative Contractor, Inc.
1234 Main St. – Attn: Hearing and Appeals, Room 510
Anytown, IL 12345

If you believe that this determination is not correct, you may request a reconsideration before a contractor hearing officer. The reconsideration is an independent review and will be conducted by a person not involved in the initial determination. You must request the reconsideration in writing to this office within 60 calendar days of the postmark date of this letter. The reconsideration must state the issues or findings of fact with which you disagree and the reasons for disagreement. You may submit additional information with the reconsideration that you believe may have a bearing on the decision. However, if you have additional information that you would like a hearing officer to consider during the reconsideration or, if necessary, an administrative law judge to consider during a hearing, you must submit that information with your request for reconsideration. This is your only opportunity to submit information during the administrative appeals process; you will not have another opportunity to do so unless an administrative law judge specifically allows you to do so under 42 CFR §498.56(e).

The reconsideration must be signed and dated by the authorized or delegated official
within the entity. Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review.

The reconsideration request should be sent to:

Medicare Administrative Contractor, Inc.
1234 Main St. – Attn: Hearing and Appeals, Room 510
Anytown, IL 12345

If you have any questions, please contact our office at 601-555-1234 between the hours of 9:00 AM and 5:00 PM.

Sincerely,

Crispin Bacon
Provider Enrollment Analyst
Medicare Administrative Contractor, Inc.

15.24.8.3 – Denial Example #2 – Criteria for Eligible Discipline Not Met

June 7, 2012

Marjorie Gosling, NP
6578 Billings Avenue
Calgary, MI 42897

Reference # (Contractor Control Number or NPI)

Dear Ms. Gosling:

Your application to enroll in Medicare is denied for the following reason(s):

42 CFR §424.530(a)(1) - Not in Compliance with Medicare Requirements

Per 42 CFR §410.75(b)(1)(i), the provider or supplier is not certified by a recognized national certifying body that has established standards for nurse practitioners.

If you believe that you are able to correct the deficiencies and establish your eligibility to participate in the Medicare program, you may submit a corrective action plan (CAP) within 30 calendar days after the postmark date of this letter. The CAP should provide evidence that you are in compliance with Medicare requirements. The CAP request must be signed by the authorized or delegated official within the entity. CAP requests
should be sent to:

Medicare Administrative Contractor, Inc.
1234 Main St. – Attn: Hearing and Appeals, Room 510
Anytown, IL 12345

If you believe that this determination is not correct, you may request a reconsideration before a contractor hearing officer. The reconsideration is an independent review and will be conducted by a person not involved in the initial determination. You must request the reconsideration in writing to this office within 60 calendar days of the postmark date of this letter. The reconsideration must state the issues or findings of fact with which you disagree and the reasons for disagreement. You may submit additional information with the reconsideration that you believe may have a bearing on the decision. However, if you have additional information that you would like a hearing officer to consider during the reconsideration or, if necessary, an administrative law judge to consider during a hearing, you must submit that information with your request for reconsideration. This is your only opportunity to submit information during the administrative appeals process; you will not have another opportunity to do so unless an administrative law judge specifically allows you to do so under 42 CFR §498.56(e).

The reconsideration must be signed and dated by the authorized or delegated official within the entity. Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review.

The reconsideration request should be sent to:

Medicare Administrative Contractor, Inc.
1234 Main St. – Attn: Hearing and Appeals, Room 510
Anytown, IL 12345

If you have any questions, please contact our office at 601-555-1234 between the hours of 9:00 AM and 5:00 PM.

Sincerely,

Muffy McDowell
Provider Enrollment Analyst
Medicare Administrative Contractor, Inc.

15.24.8.4 – Denial Example #3 – Provider Standards Not Met

June 1, 2012

IDTF Services, Inc.
Dear IDTF Services, Inc.:

Your application to enroll in Medicare is denied for the following reason(s):

42 CFR §424.530(a)(5) - On-site Review - Requirements Not Met

Specifically, the following standards were not met:

42 CFR §410.33(g) 4 - Have all applicable diagnostic testing equipment available at the physical site excluding portable diagnostic testing equipment. A catalog of portable diagnostic equipment, including diagnostic testing equipment serial numbers, must be maintained at the physical site. In addition, portable diagnostic testing equipment must be available for inspection within two business days of a CMS inspection request. The IDTF must maintain a current inventory of the diagnostic testing equipment, including serial and registration numbers, provide this information to the designated fee-for-service contractor upon request, and notify the contractor of any changes in equipment within 90 days.

42 CFR §410.33(g) 9 - Openly post these [IDTF] standards for review by patients and the public

42 CFR §410.33(g) 11 - Have its testing equipment calibrated and maintained per equipment instructions and in compliance with applicable manufacturers suggested maintenance and calibration standards.

42 CFR §410.33(g) 12 - Have technical staff on duty with the appropriate credentials to perform tests. The IDTF must be able to produce the applicable Federal or State licenses or certifications of the individuals performing these services.

If you believe that you are able to correct the deficiencies and establish your eligibility to participate in the Medicare program, you may submit a corrective action plan (CAP) within 30 calendar days after the postmark date of this letter. The CAP should provide evidence that you are in compliance with Medicare requirements. The CAP request must be signed by the authorized or delegated official within the entity. CAP requests should be sent to:

Medicare Administrative Contractor, Inc.
1234 Main St. – Attn: Hearing and Appeals, Room 510
Anytown, IL 12345
If you believe that this determination is not correct, you may request a reconsideration before a contractor hearing officer. The reconsideration is an independent review and will be conducted by a person not involved in the initial determination. You must request the reconsideration in writing to this office within 60 calendar days of the postmark date of this letter. The reconsideration must state the issues or findings of fact with which you disagree and the reasons for disagreement. You may submit additional information with the reconsideration that you believe may have a bearing on the decision. However, if you have additional information that you would like a hearing officer to consider during the reconsideration or, if necessary, an administrative law judge to consider during a hearing, you must submit that information with your request for reconsideration. This is your only opportunity to submit information during the administrative appeals process; you will not have another opportunity to do so unless an administrative law judge specifically allows you to do so under 42 CFR §498.56(e).

The reconsideration must be signed and dated by the authorized or delegated official within the entity. Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review.

The reconsideration request should be sent to:

Medicare Administrative Contractor, Inc.
1234 Main St. – Attn: Hearing and Appeals, Room 510
Anytown, IL 12345

If you have any questions, please contact our office at 601-555-1234 between the hours of 9:00 AM and 5:00 PM.

Sincerely,

Peaches Barkowicz
Provider Enrollment Analyst
Medicare Administrative Contractor, Inc.

15.24.8.5 – Denial Example #4 – Business Type Not Met

June 5, 2012

Roger Bain, M.S. CCC-SLP
6092 Wisconsin Way
Royal, MN 59034

Reference # (Contractor Control Number or NPI)
Dear Mr. Bain:

Your application to enroll in Medicare is denied for the following reason(s):

42 CFR §424.530(a)(1) - Not in Compliance with Medicare Requirements

42 CFR §410.62(c)(ii) states that speech language pathologists in private practice must be engaged in one of the following practice types if allowed by State and local law: (A) An unincorporated solo practice; (B) An unincorporated partnership or unincorporated group practice; (C) An employee in an unincorporated solo practice, partnership, or group practice, or a professional corporation or other incorporated speech-language pathology practice; (D) An employee of a physician group (includes certain Non-Physician Practitioners [NPPs], as appropriate); or (E) An employee of a group that is not a professional corporation.

Your current private practice status is an incorporated solo practice; therefore, you do not qualify as a Medicare provider or supplier.

If you believe that you are able to correct the deficiencies and establish your eligibility to participate in the Medicare program, you may submit a corrective action plan (CAP) within 30 calendar days after the postmark date of this letter. The CAP should provide evidence that you are in compliance with Medicare requirements. The CAP request must be signed by the authorized or delegated official within the entity. CAP requests should be sent to:

Medicare Administrative Contractor, Inc.
1234 Main St. – Attn: Hearing and Appeals, Room 510
Anytown, IL 12345

If you believe that this determination is not correct, you may request a reconsideration before a contractor hearing officer. The reconsideration is an independent review and will be conducted by a person not involved in the initial determination. You must request the reconsideration in writing to this office within 60 calendar days of the postmark date of this letter. The reconsideration must state the issues or findings of fact with which you disagree and the reasons for disagreement. You may submit additional information with the reconsideration that you believe may have a bearing on the decision. However, if you have additional information that you would like a hearing officer to consider during the reconsideration or, if necessary, an administrative law judge to consider during a hearing, you must submit that information with your request for reconsideration. This is your only opportunity to submit information during the administrative appeals process; you will not have another opportunity to do so unless an administrative law judge specifically allows you to do so under 42 CFR §498.56(e).

The reconsideration must be signed and dated by the authorized or delegated official within the entity. Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review.
The reconsideration request should be sent to:

Medicare Administrative Contractor, Inc.
1234 Main St. – Attn: Hearing and Appeals, Room 510
Anytown, IL 12345

If you have any questions, please contact our office at 601-555-1234 between the hours of 9:00 AM and 5:00 PM.

Sincerely,

Peaches Barkowicz
Applications Analyst
Medicare Administrative Contractor, Inc.

15.24.8.6 – Denial Example #5 – Existing or Delinquent Overpayments

MEDICARE ADMINISTRATIVE CONTRACTOR INC.
1234 MAIN STREET
ANYTOWN IL 12345
"Excellence in Health Care Services"

June 5, 2012

Xantippe Jones, LMFT
7824 Freudian Way
Yakima, WA 94054

Dear Mr. Jones:

Your application to enroll in Medicare is denied for the following reason(s):

Denial Reason 6 (42 CFR §424.530(a)(6))

The current owner (as defined in § 424.502), physician or non-physician practitioner has an existing overpayment at the time of filing an enrollment application.

Dates (entered date of existing or delinquent overpayment period)

Pertinent details of action(s) (Whether the person or entity is on a Medicare-approved plan of repayment or payments are currently being offset: Whether the overpayment is currently being appealed; the reason for the overpayment.

If you believe that you are able to correct the deficiencies and establish your eligibility to participate in the Medicare program, you may submit a corrective action plan (CAP) within 30 calendar days after the
The CAP should provide evidence that you are in compliance with Medicare requirements. The reconsideration request must be signed by the authorized or delegated official within the entity. CAP requests should be sent to:

Centers for Medicare & Medicaid Services  
Center for Program Integrity  
Provider Enrollment & Oversight Group  
Mailstop Code (AR-18-50)  
7500 Security Boulevard  
Baltimore, MD 21244-1850

If you believe that this determination is not correct, you may request a reconsideration before a contractor hearing officer. The reconsideration is an independent review and will be conducted by a person not involved in the initial determination. You must request the reconsideration in writing to this office within 60 calendar days of the postmark date of this letter. The reconsideration must state the issues or findings of fact with which you disagree and the reasons for disagreement. You may submit additional information with the reconsideration that you believe may have a bearing on the decision. However, if you have additional information that you would like a hearing officer to consider during the reconsideration or, if necessary, an administrative law judge to consider during a hearing, you must submit that information with your request for reconsideration. This is your only opportunity to submit information during the administrative appeals process; you will not have another opportunity to do so unless an administrative law judge specifically allows you to do so under 42 CFR § 489.56(e).
The reconsideration must be signed and dated by the authorized or delegated official within the entity. Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review.

The reconsideration request should be sent to:

Centers for Medicare & Medicaid Services  
Center for Program Integrity  
Provider Enrollment & Oversight Group  
Mailstop Code (AR-18-50)  
7500 Security Boulevard  
Baltimore, MD 21244-1850

If you have any questions, please contact our office at 601-555-1234 between the hours of 9:00 AM and 5:00 PM.

Sincerely,

Crispin Bacon  
Provider Enrollment Analyst  
Medicare Administrative Contractor, Inc.

15.24.9 – Revocation Letter Guidance  

The contractor:
• Must submit one or more of the 12 Primary Revocation Reasons as found in section 15.27.2 into the appropriate section on the specific Revocation Letter. Only the CFR citation and a short heading shall be cited for the primary revocation reason.

Shall include a Specific Revocation Reason, as appropriate. The Specific Revocation Reason should state sufficient details so it is clear as to why the provider or supplier is being denied.

15.24.9.1 – Model Revocation Letter for Part B Suppliers and Certified Providers and Suppliers

(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

[Month] [day], [year]

[Provider/Supplier Name]
[Address]
[City] ST [Zip]

Reference # (Contractor Control Number or NPI)

Dear [Provider/Supplier Name]:

Your Medicare privileges are being revoked effective [Date of revocation] for the following reasons:

xx CFR §xxx.(x) [heading]

[Specific reason]

xx CFR §xxx.(x) [heading]

[Specific reason]

(For certified providers and certified suppliers only: Pursuant to 42 CFR §424.535(b), this action will also terminate your corresponding (provider or supplier) agreement.)

If you believe that you are able to correct the deficiencies and establish your eligibility to participate in the Medicare program, and if this revocation is based in whole or in part on §424.535(a)(1), you may submit a corrective action plan (CAP) within 30 calendar days after the postmark date of this letter. (Per 42 CFR §405.809, a CAP cannot be accepted for revocations based exclusively on reasons other than §424.535(a)(1). If the revocation is for multiple reasons of which one is §424.535(a)(1), the CAP will only be reviewed with respect to the §424.535(a)(1) basis for revocation.) The CAP should provide evidence that you are in compliance with
Medicare requirements. The CAP request must be signed and dated by the authorized or delegated official within the entity. CAP requests should be sent to:

(Insert correct address based on whether the MAC or CMS is responsible for reviewing the CAP.

[Name of MAC]  
<Address]  
[City], ST [Zip]  
or  
[Centers for Medicare & Medicaid Services]  
[Provider Enrollment & Oversight Group]  
[7500 Security Blvd.]  
[Mailstop: AR-18-50]  
[Baltimore, MD 21244-1850])

If you believe that this determination is not correct, you may request a reconsideration before a contractor hearing officer. The reconsideration is an independent review and will be conducted by a person not involved in the initial determination. You must request the reconsideration in writing to this office within 60 calendar days of the postmark date of this letter. The reconsideration must state the issues or findings of fact with which you disagree and the reasons for disagreement. You may submit additional information with the reconsideration that you believe may have a bearing on the decision. However, if you have additional information that you would like a hearing officer to consider during the reconsideration or, if necessary, an administrative law judge to consider during a hearing, you must submit that information with your request for reconsideration. This is your only opportunity to submit information during the administrative appeals process; you will not have another opportunity to do so unless an administrative law judge specifically allows you to do so under 42 CFR §498.56(e).

The reconsideration must be signed and dated by the authorized or delegated official within the entity. Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review.

You may not appeal through this process the merits of any exclusion by another Federal agency. Any further permissible administrative appeal involving the merits of such exclusion must be filed with the Federal agency that took the action.

The reconsideration request should be sent to:

(Insert correct address based on whether the MAC or CMS is responsible for handling the reconsideration.

[Name of MAC]  
<Address]  
[City], ST [Zip]  
or  
[Centers for Medicare & Medicaid Services]  
[Provider Enrollment & Oversight Group]  
[7500 Security Blvd.]  
[Mailstop: AR-18-50]  
[Baltimore, MD 21244-1850])

Pursuant to 42 CFR §424.535(c), [Contractor name] is establishing a re-enrollment bar
for a period of [Insert amount of time] that shall begin 30 days after the postmark date of this letter. This enrollment bar only applies to your participation in the Medicare program. In order to re-enroll, you must meet all requirements for your provider or supplier type.

If you have any questions, please contact our office at [phone number] between the hours of [x:00 AM/PM] and [x:00 AM/PM].

Sincerely,

[Name]
[Title]
[Company]

15.24.10.2 – Favorable Corrective Action Plan/Reconsideration Decision –Denials

(Rev.659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

Provider Enrollment & Oversight Group (PEOG)

Month XX, 2015

Provider/Supplier/Attorney
[Attn:]
Address
City, State Zip

Re: [Corrective Action Plan and/or Reconsideration] Decision
Legal Business Name: [provider/supplier name]
NPI: XXXXXX

Dear [provider/supplier/attorney]:

This letter is in response to the [Corrective Action Plan (CAP) and/or reconsideration] request received by the Centers for Medicare & Medicaid Services (CMS) in response to an enrollment denial effective Month XX, 201X. The initial determination letter by [MAC] was dated Month XX, 201X; therefore, this appeal is considered timely. The following decision is based on the Social Security Act, Medicare regulations, the CMS manual instructions, evidence in the file, and any information received before this decision was rendered.

DENIAL REASON: 42 CFR§ 424.530(a) (fill reason 1-11)
(a) Reasons for denial. CMS may deny a provider's or supplier's enrollment in the Medicare program for the following reasons:

(Reason 1-11, copied from the Reg: link)

[Insert language from the denial letter stating why they are being denied.]

SUBMITTED DOCUMENTATION [or] SUMMARY OF SUBMITTED DOCUMENTS:

- Exhibit 1:
- Exhibit 2:

CASE ANALYSIS:
All of the documentation in the file for [provider/supplier name] has been reviewed and the decision has been made in accordance with Medicare guidelines, as outlined in 42 CFR §424.530.

[The decision must include: A clear explanation of why PEOG is upholding the denial action in sufficient detail for the provider to understand PEOG’s decision and; if applicable: the nature of the provider’s deficiencies, the regulatory basis to support each reason for the denial, and an explanation of how the provider/supplier now meets the enrollment criteria or requirements]

[Choose which subheading is applicable- CAP, Reconsideration, or both- and delete the heading not being uses]

Corrective Action Plan:
[Enter text]

Reconsideration:
[Enter text]
[If the CAP is approved, use this sentence: After careful consideration, CMS has approved the CAP submitted and request that the reconsideration be withdrawn.]

DECISION:
[Enter text]

CMS grants [provider/supplier] access to the Medicare Trust Funds (by way or issuance) of a Medicare number.

This decision is a FAVORABLE DECISION. To effectuate this decision, CMS will direct [MAC] to allow enrollment and provide instruction, as needed, to complete the enrollment process.

Please forward any questions or concerns to providerenrollmentappeals@cms.hhs.gov.
Sincerely,

[Name]

[Signature]
Health Insurance Specialist
Centers for Medicare & Medicaid Services

cc:
[MAC]
[Provider/Supplier, if represented by an attorney]

15.24.9.2 – Model Revocation Letter for National Supplier Clearinghouse (NSC)
(Rev. 463, Issued: 05-17-13, Effective: 04-22-13, Implementation: 06-07-13)

[month] [day], [year]

[Provider/Supplier Name]
[Address]
[City] ST [Zip]

Reference # (PTAN #, Enrollment #, Case #, etc.)

Certified mail number: [number]
Returned receipt requested

Dear [Provider/Supplier Name]:

The purpose of this letter is to inform you that pursuant to 42 CFR §§ 405.800, 424.57(x), 424.535(g), and 424.535(a) [(x)], your Medicare supplier number [xxxxxxxxxxx] for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) issued by the National Supplier Clearinghouse (NSC) [will be revoked effective 30 days from the postmarked date of this letter]

[is revoked. The effective date of this revocation has been made retroactive to [month] [day], [year], which is the date [revocation reason]]

Pursuant to 42 CFR §424.535(c), the supplier is barred from re-enrolling for a period of [number of years] year(s) in the Medicare program from the effective date of the revocation. In order to re-enroll, you must meet all requirements for your supplier type.
[The Supplier Audit and Compliance Unit (SACU) reviewed and evaluated the documents you submitted in response to the developmental letter dated [date]. This letter allowed you to demonstrate your full compliance with the DMEPOS supplier standards and/or to correct the deficient compliance requirement(s).]

[The Supplier Audit and Compliance Unit (SACU) has not received a response to the developmental letter sent to you on [date]. This letter allowed you to demonstrate your full compliance with the DMEPOS supplier standards and/or to correct the deficient compliance requirement(s).]

[The National Supplier Clearinghouse has not received a response to the developmental letter sent to you on [date] informing you that the request for a hardship exception for the required application fee was denied. The notification afforded you the opportunity to pay the mandatory application fee for processing your enrollment application and an appeal period which you did not select.]

[The National Supplier Clearinghouse has not received a response to the developmental letter sent to you on [date] informing you that the application fee was not paid at the time you filed the CMS 855S enrollment application. The 30 day notification afforded you the opportunity to pay the mandatory application fee for processing your enrollment application.]

We have determined that you are not in compliance with the supplier standards noted below:

42 CFR §424.579(c) [1-30] [Insert the specific performance standard not met]

Section 1834(j) of the Social Security Act states that, with the exception of medical equipment and supplies furnished incident to a physician’s service, no payment may be made by Medicare for items furnished by a supplier unless the supplier has a valid Medicare billing number. Therefore, any expenses for items you supply to a Medicare beneficiary on or after the effective date of the revocation of your billing numbers are your responsibility and not the beneficiary’s, unless you have proof that you have notified the beneficiary in accordance with section 1834 (a) (18) (A) (ii) of the Social Security Act and the beneficiary has agreed to take financial responsibility if the items you supply are not covered by Medicare. You will be required to refund on a timely basis to the beneficiary (and will be liable to the beneficiary for) any amounts collected from the beneficiary for such items. If you fail to refund the beneficiary as required under 1834 (j) (4) and 1879(h) of the Social Security Act, you may be liable for Civil Monetary penalties.

You may not appeal through this process the merits of any exclusion by another Federal agency. Any further permissible administrative appeal involving the merits of such exclusion must be filed with the Federal agency that took the action.
If you believe that you are able to correct the deficiencies and establish your eligibility to participate in the Medicare program, you may submit a corrective action plan (CAP) within 30 calendar days after the postmark date of this letter. The CAP should provide evidence that you are in compliance with Medicare requirements. The NSC, with Centers for Medicare & Medicaid Services (CMS) approval, may reinstate your supplier number after it reviews your CAP and any additional evidence you submit and determines you are now in compliance with all supplier standards (see 42 CFR §424.57(c)). CAP requests should be sent to:

[National Supplier Clearinghouse Contractor name]
[Address]
[City], ST [Zip]

If you believe that this determination is not correct, you may request reconsideration before a contractor hearing officer. The reconsideration is an independent review and will be conducted by a person not involved in the initial determination. You must request the reconsideration in writing to this office within 60 calendar days of the postmark date of this letter. The reconsideration must state the issues or findings of fact with which you disagree and the reasons for disagreement. You may submit additional information with the reconsideration that you believe may have a bearing on the decision. The reconsideration must be signed and dated by the authorized or delegated official within the entity. Failure to timely request reconsideration is deemed a waiver of all rights to further administrative review.

The reconsideration request should be sent to:

[National Supplier Clearinghouse Contractor name]
[Address]
[City], ST [Zip]

If you choose not to request a reconsideration of this decision, or you do not receive a favorable decision through the administrative review process, you must wait [number of years] year(s) before resubmitting your CMS-855S application, per the re-enrollment bar cited above. Applications received in the NSC prior to this timeframe will be returned.

In addition, if submitting a CMS 855S application after the re-enrollment bar has expired, 42 CFR §424.57(d)(3)(ii) states suppliers will be required to maintain an elevated surety bond amount of $50,000 for each final adverse action imposed. Therefore if you do not request a reconsideration of this decision or receive an unfavorable decision through the administrative review process, you must submit an elevated surety bond. Please note this amount is in addition to, and not in lieu of, the base $50,000 amount that must be maintained.

If you have any questions, please contact our customer service number at [phone number].
Sincerely,

(NAME)
(TITLE)
(COMPANY)

15.24.9.3 – Revocation Example #1 – Abuse of Billing
(Rev. 463, Issued: 05-17-13, Effective: 04-22-13, Implementation: 06-07-13)

June 16, 2012

Bennie Scholls, D.P.M.
4321 Bunion Road
Excalibur WA 98234

Reference # (PTAN #, Enrollment #, Case #, etc.)

Dear Dr. Scholls:

Your Medicare privileges are being revoked effective June 16, 2012 for the following reasons:

Revocation reason: 42 CFR §535(a) (8)

Specifically, you submitted 186 claims to Medicare for services provided after the date of death of 15 beneficiaries.

If you believe that you are able to correct the deficiencies and establish your eligibility to participate in the Medicare program, you may submit a corrective action plan (CAP) within 30 calendar days after the postmark date of this letter. The CAP should provide evidence that you are in compliance with Medicare requirements. The CAP request must be signed and dated by the authorized or delegated official within the entity. CAP requests should be sent to:

Medicare Administrative Contractor, Inc.
1234 Main St. – Attn: Hearing and Appeals, Room 510
Anytown, IL 12345

If you believe that this determination is not correct, you may request a reconsideration before a contractor hearing officer. The reconsideration is an independent review and will be conducted by a person not involved in the initial determination. You must request the reconsideration in writing to this office within 60 calendar days of the postmark date of this letter. The reconsideration must state the issues or findings of fact.
with which you disagree and the reasons for disagreement. You may submit additional information with the reconsideration that you believe may have a bearing on the decision. The reconsideration must be signed and dated by the authorized or delegated official within the entity. Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review.

You may not appeal through this process the merits of any exclusion by another Federal agency. Any further permissible administrative appeal involving the merits of such exclusion must be filed with the Federal agency that took the action.

The reconsideration request should be sent to:

Medicare Administrative Contractor, Inc.
1234 Main St. – Attn: Hearing and Appeals, Room 510
Anytown, IL 12345

Pursuant to 42 CFR §424.535(c), Medicare Administrative Contractor, Inc. is establishing a re-enrollment bar for a period of Three (3) years. This enrollment bar only applies to your participation in the Medicare program. In order to re-enroll, you must meet all requirements for your provider or supplier type.

If you have any questions, please contact our office at 601-555-1234 between the hours of 9:00 AM and 5:00 PM.

Sincerely,

Joe Nail
Provider Enrollment Analyst
Medicare Administrative Contractor, Inc.

15.24.9.4 – Revocation Example #2 – DMEPOS supplier revocation
(Rev. 463, Issued: 05-17-13, Effective: 04-22-13, Implementation: 06-07-13)

May 17, 2012

Do We DME, Inc. DBA DME of Anywhere
1500 7th Avenue
Anywhere, PA 99999

Reference # (PTAN #, Enrollment #, Case #, etc.)

Dear Do We DME, Inc. DBA DME of Anywhere:

The purpose of this letter is to inform you that pursuant to 42 CFR 405.800, 42 CFR
57(e), and 42 CFR 424.535(a)(5), your Medicare supplier number [98765432101] for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) issued by the National Supplier Clearinghouse (NSC) is revoked. The effective date of this revocation has been made retroactive to April 26, 2012, which is the date the Centers for Medicare & Medicaid Services (CMS) determined that your practice location is not operational.

Pursuant to 42 CFR 424.535(c), NSC is establishing a re-enrollment bar for a period of two (2) years from the effective date of the revocation. This enrollment bar applies only to your participation in the Medicare program. In order to re-enroll, you must meet all requirements for your supplier type.

We have determined that you are not in compliance with the supplier standards noted below:

CFR 424.57(c) (7) Maintain a physical facility on an appropriate site, accessible to the public and staffed during posted hours of business with visible signage.

 Recently a representative of the NSC attempted to conduct a visit of your facility on April 26, 2012. However, the visit was unsuccessful because your facility was closed, locked, and vacant. There was a “For Rent” sign on the window along with a sign directing customers to a nearby Rite Aid Pharmacy. Because we could not complete an inspection of your facility, we could not verify your compliance with the supplier standards. Based on a review of the facts, we have determined that your facility is not operational to furnish Medicare covered items and services. Thus, you are in violation of 42 CFR 424.535(a)(5).

CFR 424.57(c) (26) must meet the surety bond requirements specified in paragraph (d) of this section (CFR 424.57(d)).

We received a cancellation notice from Cook, Books & Hyde Surety indicating that the surety bond on file with the NSC number 99999999 has been cancelled effective January 19, 2012. You failed to maintain a valid surety bond as required by law.

Section 1834 (j) of the Social Security Act states that, with the exception of medical equipment and supplies furnished incident to a physician’s service, no payment may be made by Medicare for items furnished by a supplier unless the supplier has a valid Medicare billing number. Therefore, any expenses for items you supply to a Medicare beneficiary on or after the effective date of the revocation of your billing numbers are your responsibility and not the beneficiary’s, unless you have proof that you have notified the beneficiary in accordance with section 1834 (a) (18) (ii) of the Social Security Act and the beneficiary has agreed to take financial responsibility if the items you supply are not covered by Medicare. You will be required to refund on a timely basis to the beneficiary (and will be liable to the beneficiary for) any amounts collected from the beneficiary for such items. If you fail to refund the beneficiary as required under 1834 (j) (4) and 1879 (h) of the Social Security Act, you may be liable for Civil
Monetary penalties.

If you believe that this determination is not correct, you may request a reconsideration before a contractor hearing officer. The reconsideration is an independent review and will be conducted by a person not involved in the initial determination. You must request the reconsideration in writing to this office within 60 calendar days of the postmark date of this letter. The reconsideration must state the issues or findings of fact with which you disagree and the reasons for disagreement. You may submit additional information with the reconsideration that you believe may have a bearing on the decision. The reconsideration must be signed and dated by the authorized or delegated official within the entity. Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review.

In addition, if submitting a CMS 855S application after the re-enrollment bar has expired, 42 CFR 424.57(d)(3)(ii) states suppliers will be required to maintain an elevated surety bond amount of $50,000 for each final adverse action imposed. Therefore if you do not request a reconsideration of this decision or receive an unfavorable decision through the administrative review process, you must submit an elevated surety bond. Please note this amount is in addition to, and not in lieu of, the base $50,000 amount that must be maintained.

The reconsideration request should be sent to:

National Supplier Clearinghouse
P.O. Box 12345
ATTN: Hearings and Appeals
Somewhere, AK  11111-1111

If you choose not to request a reconsideration of this decision, or you do not receive a favorable decision through the administrative review process, you must wait two (2) year(s) before resubmitting your CMS-855S application, per the re-enrollment bar cited above. Applications received in the NSC prior to this timeframe will be returned.

If you have any questions, please contact our office at (866) 238-9652 between the hours of [x:00 AM/PM] and [x:00 AM/PM].

Sincerely,

Hezekiah Thigpen
Fraud Analyst - Supplier Audit and Compliance Unit
National Supplier Clearinghouse

**15.24.10 – Reconsideration Guidance**
(Rev. 463, Issued: 05-17-13, Effective: 04-22-13, Implementation: 06-07-13)
If the reconsideration is for an earlier Effective Date, the following language may be substituted for the existing paragraph beginning with “DECISION:”:

**DECISION:** [Provider/Supplier Name][ has/had not] provided evidence to definitely support an earlier effective date. Therefore, we [grant/cannot grant] you access to the Medicare Trust Fund (by way or issuance) of a new effective date.

15.24.10.1 – Model Reconsideration Letter  
(Rev. 463, Issued: 05-17-13, Effective: 04-22-13, Implementation: 06-07-13)

[month] [day], [year]

[Provider/Supplier Name]  
[Address]  
[City] ST [Zip]

Reference # (PTAN #, Enrollment #, Case #, etc.)

Dear [Provider/Supplier Name]:

This letter is in response to your reconsideration request received by [Contractor name] in response to a [revocation/denial/effective date]. The initial determination letter was dated [Date] so the appeal was timely submitted. The following decision is based on the Social Security Act, Medicare regulations, The Center for Medicare and Medicaid Services (CMS) manual instructions, evidence in the file, and any information you may have submitted since the time of your request.

Revocation, Denial, or Effective date reason: [xx CFR §xxx.(x)]

[specific reason]

Revocation, Denial, or Effective date reason: [xx CFR §xxx.(x)]

[specific reason]

SUMMARY OF SUBMITTED DOCUMENTATION: [Insert all documentation/supporting information submitted].

EVALUATION OF SUBMITTED DOCUMENTATION: [Insert evaluation of documentation/supporting information].

DECISION: [Provider/Supplier Name] [has/had not] provided evidence to show full compliance with the standards for which you were [revoked/denied]. Therefore, we [grant/cannot grant] you access to the Medicare Trust Fund (by way or issuance) of a
Medicare number.

This decision is a(n) [FAVORABLE/UNFAVORABLE] DECISION. Please see below for additional appeal rights.

FURTHER APPEAL RIGHTS: ADMINISTRATIVE LAW JUDGE (ALJ):
If you are satisfied with this decision, you do not need to take further action. If you believe that this determination is not correct, you may request a final ALJ review. To do this, you must file your appeal within 60 calendar days after the date of receipt of this decision by writing to the following address:

Department of Health and Human Services
Departmental Appeals Board
Civil Remedies Division, Mail Stop 6132
330 Independence Avenue, S.W.
Cohen Building, Room G-644
Washington, D.C. 20201
Attn: CMS Enrollment Appeal

The following information is required with all ALJ requests:

- Your legal business name.
- Your Medicare PTAN (if applicable).
- Tax Identification Number (TIN) or Employer Identification Number (EIN).
- A copy of the Hearing Officer or the CMS Regional Office (RO) decision.

Alternatively, you can file your appeal electronically at the Departmental Appeals Board Electronic Filing System Web site (DAB E-File) at https://dab.efile.hhs.gov. To file a new appeal using DAB E-File, you first need to register a new account by: (1) clicking Register on the DAB E-File home page; (2) entering the information requested on the “Register New Account” form; and (3) clicking Register Account at the bottom of the form. If you have more than one representative, each representative must register separately to use DAB E-File on your behalf.

The e-mail address and password provided during registration must be entered on the login screen at https://dab.efile.hhs.gov/user_sessions/new to access DAB E-File. A registered user’s access to DAB E-File is restricted to the appeals for which he is a party or authorized representative. Once registered, you may file your appeal by:

- Clicking the File New Appeal link on the Manage Existing Appeals screen, then clicking Civil Remedies Division on the File New Appeal screen.

And,

- Entering and uploading the requested information and documents on the “File New Appeal – Civil Remedies Division” form.
At minimum, the Civil Remedies Division (CRD) requires a party to file a signed request for hearing and the underlying notice letter from CMS that sets forth the action taken and the party’s appeal rights. All documents must be submitted in Portable Document Format (“PDF”). Any document, including a request for hearing, will be deemed to have been filed on a given day, if it is uploaded to DAB E-File on or before 11:59 p.m. ET of that day. A party that files a request for hearing via DAB E-File will be deemed to have consented to accept electronic service of appeal-related documents that CMS files, or CRD issues on behalf of the Administrative Law Judge, via DAB E-File. Correspondingly, CMS will also be deemed to have consented to electronic service. More detailed instructions on DAB E-File for CRD cases can be found by clicking the CRD E-File Procedures link on the File New Appeal Screen for CRD appeals.

Appeal rights can be found at 42 CFR §498. The regulation explains the appeal rights following the determination by the CMS as to whether such entities [meet/continue to meet] the requirements for enrollment in the Medicare program.

If you have any questions, please contact our office at [phone number] between the hours of [x:00 AM/PM] and [x:00 AM/PM]

Sincerely,

[Name]
[Title]
[Company]

15.24.10.2 – Favorable Corrective Action Plan/Reconsideration Decision – Denials
(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

Provider Enrollment & Oversight Group (PEOG)

Month XX, 2015

Provider/Supplier/Attorney
[Attn:]
Address
City, State Zip

Re: [Corrective Action Plan and/or Reconsideration] Decision
Legal Business Name: [provider/supplier name]
NPI: XXXXXX
Dear [provider/supplier/attorney]:

This letter is in response to the [Corrective Action Plan (CAP) and/or reconsideration] request received by the Centers for Medicare & Medicaid Services (CMS) in response to an enrollment denial effective Month XX, 201X. The initial determination letter by [MAC] was dated Month XX, 201X; therefore, this appeal is considered timely. The following decision is based on the Social Security Act, Medicare regulations, the CMS manual instructions, evidence in the file, and any information received before this decision was rendered.

DENIAL REASON: 42 CFR§ 424.530(a) (fill reason 1-11)

(b) Reasons for denial. CMS may deny a provider's or supplier's enrollment in the Medicare program for the following reasons:

(Reason 1-11, copied from the Reg: link)

[Insert language from the denial letter stating why they are being denied.]

SUBMITTED DOCUMENTATION [or] SUMMARY OF SUBMITTED DOCUMENTS:

- Exhibit 1:
- Exhibit 2:

CASE ANALYSIS:
All of the documentation in the file for [provider/supplier name] has been reviewed and the decision has been made in accordance with Medicare guidelines, as outlined in 42 CFR §424.530.

[The decision must include: A clear explanation of why PEOG is upholding the denial action in sufficient detail for the provider to understand PEOG’s decision and; if applicable: the nature of the provider’s deficiencies, the regulatory basis to support each reason for the denial, and an explanation of how the provider/supplier now meets the enrollment criteria or requirements]

[Choose which subheading is applicable- CAP, Reconsideration, or both- and delete the heading not being uses]

Corrective Action Plan:
[Enter text]

Reconsideration:
[Enter text]
[If the CAP is approved, use this sentence: After careful consideration, CMS has approved the CAP submitted and request that the reconsideration be withdrawn.]
DECISION:
[Enter text]

CMS grants [provider/supplier] access to the Medicare Trust Funds (by way or issuance) of a Medicare number.

This decision is a FAVORABLE DECISION. To effectuate this decision, CMS will direct [MAC] to allow enrollment and provide instruction, as needed, to complete the enrollment process.

Please forward any questions or concerns to providerenrollmentappeals@cms.hhs.gov.

Sincerely,

[Name]

[Signature]
Health Insurance Specialist
Centers for Medicare & Medicaid Services

cc:
[MAC]
[Provider/Supplier, if represented by an attorney]

15.24.10.3 – Favorable Corrective Action Plan/Reconsideration Decision – Revocations

Provider Enrollment & Oversight Group (PEOG)

Month XX, 2015

Provider/Supplier/Attorney
[Attn:]
Address
City, State Zip

Re: [Corrective Action Plan and/or Reconsideration] Decision
Legal Business Name: [provider/supplier name]
NPI: XXXXXX
Dear [provider/supplier/attorney]:

This letter is in response to the [Corrective Action Plan (CAP) and/or reconsideration] request received by the Centers for Medicare & Medicaid Services (CMS) in response to a revocation, effective Month XX, 2015. The initial determination letter by [MAC] was dated Month XX, 2015; therefore, this appeal is considered timely. The following decision is based on the Social Security Act, Medicare regulations, the CMS manual instructions, evidence in the file, and any information received before this decision was rendered.

REVOCATION REASON: 42 CFR§ 425.535 (a)(fill reason 1-14)

(c) Reasons for revocation. CMS may revoke a currently enrolled provider or supplier's Medicare billing privileges and any corresponding provider agreement or supplier agreement for the following reasons:

(Reason 1-14, copied from the Reg: link)

[Insert language from the revocation letter stating why they are being revoked.]

SUBMITTED DOCUMENTATION [or] SUMMARY OF SUBMITTED DOCUMENTS:

- Exhibit 1:
- Exhibit 2:

CASE ANALYSIS:
All of the documentation in the file for [provider/supplier name] has been reviewed and the decision has been made in accordance with Medicare guidelines, as outlined in 42 CFR §424.535.

[The decision must include: A clear explanation of why PEOG is upholding the revocation action in sufficient detail for the provider to understand PEOG’s decision and; if applicable: the nature of the provider’s deficiencies, the regulatory basis to support each reason for the revocation, and an explanation of how the provider/supplier now meets the enrollment criteria or requirements]

[Choose which subheading is applicable- CAP, Reconsideration, or both- and delete the heading not being uses]

Corrective Action Plan:
[Enter text]

Reconsideration:
[Enter text]
DECISION:
[Enter text]

CMS grants [provider/supplier] access to the Medicare Trust Fund (by way or issuance) of a Medicare number.

This decision is a **FAVORABLE DECISION**. To effectuate this decision, CMS will direct [MAC] to reinstate enrollment and provide instruction, as needed, to complete the enrollment process.

Please forward any questions or concerns to providerenrollmentappeals@cms.hhs.gov.

Sincerely,

[Name]

[Signature]
Health Insurance Specialist
Centers for Medicare & Medicaid Services

cc: [MAC]
[Provider/Supplier, if represented by an attorney]

15.24.10.4 – Unfavorable Corrective Action Plan/Reconsideration Decision – Denials

Provider Enrollment & Oversight Group (PEOG)

Month XX, 2015

Provider/Supplier/Attorney
[Attn:]
Address
City, State Zip

Re: [Corrective Action Plan and/or Reconsideration] Decision
Legal Business Name: [provider/supplier name]
NPI: XXXXXX
Dear [provider/supplier/attorney]:

This letter is in response to the [Corrective Action Plan (CAP) and/or reconsideration] request received by the Centers for Medicare & Medicaid Services (CMS) in response to an enrollment denial, effective Month XX, 2015. The initial determination letter by [MAC] was dated Month XX, 2015; therefore, this appeal is considered timely. The following decision is based on the Social Security Act, Medicare regulations, the CMS manual instructions, evidence in the file, and any information received before this decision was rendered.

DENIAL REASON: 42 CFR§ 424.530(a)(fill reason 1-11)

(d) Reasons for denial. CMS may deny a provider's or supplier's enrollment in the Medicare program for the following reasons:

(Reason 1-11, copied from the Reg: link)

[Insert language from the denial letter stating why they are being denied.]

SUBMITTED DOCUMENTATION [or] SUMMARY OF SUBMITTED DOCUMENTS:

- Exhibit 1:
- Exhibit 2:

CASE ANALYSIS:
All of the documentation in the file for [provider/supplier name] has been reviewed and the decision has been made in accordance with Medicare guidelines, as outlined in 42 CFR §424.535.

[The decision must include: A clear explanation of why PEOG is upholding the denial action in sufficient detail for the provider to understand PEOG’s decision and; if applicable: the nature of the provider’s deficiencies, the regulatory basis to support each reason for the denial, and an explanation of how the provider does not meet the enrollment criteria or requirements]

[Choose which subheading is applicable- CAP, Reconsideration, or both- and delete the heading not being uses]

Corrective Action Plan:
[Enter text]

Reconsideration:
[Enter text]
[If the CAP is approved, use this sentence: After careful consideration, CMS has approved the CAP submitted and request that the reconsideration be withdrawn.]

DECISION:
[Enter text]

CONCLUSION:
CMS concludes that there is no error made by [MAC] in the determination of an enrollment denial. The [CAP and/or reconsideration] is/are denied and the denial is upheld. Therefore, CMS has decided not to grant you access to the Medicare Trust Funds (by way or issuance) of a Medicare number.

This decision is an **UNFAVORABLE DECISION**. Please see below for additional appeal rights.

FURTHER APPEAL RIGHTS: ADMINISTRATIVE LAW JUDGE (ALJ):

If you are satisfied with this decision, you do not need to take further action. If you believe that this determination is not correct, you may request a final ALJ review. To do this, you must file your appeal within 60 calendar days after the date of receipt of this decision by writing to the following address:

Department of Health and Human Services  
Departmental Appeals Board  
Civil Remedies Division, Mail Stop 6132  
330 Independence Avenue, S.W.  
Cohen Building, Room G-644  
Washington, D.C. 20201  
Attn: CMS Enrollment Appeal

The following information is required with all ALJ requests:

- Your legal business name
- Your Medicare PTAN (if applicable)
- Tax Identification Number (TIN) or Employer Identification Number (EIN)
- A copy of the Hearing Officer or the CMS Regional Office (RO) decision

**Alternatively, you can file your appeal electronically at the Departmental Appeals Board Electronic Filing System Web site (DAB E-File) at [https://dab.efile.hhs.gov/](https://dab.efile.hhs.gov/).**

To file a new appeal using DAB E-File, you first need to register a new account by: (1) clicking Register on the DAB E-File home page; (2) entering the information requested on the “Register New Account” form; and (3) clicking Register Account at the bottom of the form. If you have more than one representative, each representative must register separately to use DAB E-File on your behalf.
The e-mail address and password provided during registration must be entered on the login screen at https://dab.efile.hhs.gov/user_sessions/new to access DAB E-File. A registered user’s access to DAB E-File is restricted to the appeals for which he is a party or authorized representative. Once registered, you may file your appeal by:

- Clicking the File New Appeal link on the Manage Existing Appeals screen, and then clicking Civil Remedies Division on the File New Appeal screen. And,
- Entering and uploading the requested information and documents on the “File New Appeal – Civil Remedies Division” form.

At minimum, the Civil Remedies Division (CRD) requires a party to file a signed request for hearing and the underlying notice letter from CMS that sets forth the action taken and the party’s appeal rights. All documents must be submitted in Portable Document Format (“PDF”). Any document, including a request for hearing, will be deemed to have been filed on a given day, if it is uploaded to DAB E-File on or before 11:59 p.m. ET of that day. A party that files a request for hearing via DAB E-File will be deemed to have consented to accept electronic service of appeal-related documents that CMS files, or CRD issues on behalf of the Administrative Law Judge, via DAB E-File. Correspondingly, CMS will also be deemed to have consented to electronic service. More detailed instructions on DAB E-File for CRD cases can be found by clicking the CRD E-File Procedures link on the File New Appeal Screen for CRD appeals.

Appeal rights can be found at 42 CFR §498. The regulation explains the appeal rights following the determination by the CMS as to whether such entities [meet/continue to meet] the requirements for enrollment in the Medicare program.

Please forward any questions or concerns to providerenrollmentappeals@cms.hhs.gov.

Sincerely,

[Name]
[Signature]
Health Insurance Specialist
Centers for Medicare & Medicaid

c:  
[MAC]
[Provider, if represented by an attorney]

15.24.10.5 – Unfavorable Corrective Action Plan/Reconsideration Decision – Revocations
Dear [provider/supplier/attorney]:

This letter is in response to the [Corrective Action Plan (CAP) and/or reconsideration] request received by the Centers for Medicare & Medicaid Services (CMS) in response to a revocation, effective Month XX, 2015. The initial determination letter by [MAC] was dated Month XX, 2015; therefore, this appeal is considered timely. The following decision is based on the Social Security Act, Medicare regulations, the CMS manual instructions, evidence in the file, and any information received before this decision was rendered.

**REVOCATION REASON: 42 CFR§ 425.535 (a)(fill reason 1-14)**

(e) Reasons for revocation. CMS may revoke a currently enrolled provider or supplier’s Medicare billing privileges and any corresponding provider agreement or supplier agreement for the following reasons:

(Reason 1-14, copied from the Reg: link)

[Insert language from the revocation letter stating why they are being revoked.]

**SUBMITTED DOCUMENTATION [or] SUMMARY OF SUBMITTED DOCUMENTS:**

- Exhibit 1:
- Exhibit 2:

**CASE ANALYSIS:**
All of the documentation in the file for [provider/supplier name] has been reviewed and the decision has been made in accordance with Medicare guidelines, as outlined in 42 CFR §424.535.
[The decision must include: A clear explanation of why PEOG is not holding the revocation action in sufficient detail for the provider to understand PEOG’s decision and; if applicable: the nature of the provider’s deficiencies, the regulatory basis to support each reason for the revocation, and an explanation of how the provider/supplier still does not meet the enrollment criteria or requirements.]

[Choose which subheading is applicable- CAP, Reconsideration, or both- and delete the heading not being uses]

Corrective Action Plan:
[Enter text]

Reconsideration:
[Enter text]
[If the CAP is approved, use this sentence: After careful consideration, CMS has approved the CAP submitted and request that the reconsideration be withdrawn.]

DECISION:
[Enter text]

This decision is an UNFAVORABLE DECISION. Please see below for additional appeal rights.

FURTHER APPEAL RIGHTS: ADMINISTRATIVE LAW JUDGE (ALJ):

If you are satisfied with this decision, you do not need to take further action. If you believe that this determination is not correct, you may request a final ALJ review. To do this, you must file your appeal within 60 calendar days after the date of receipt of this decision by writing to the following address:

Department of Health and Human Services  
Departmental Appeals Board  
Civil Remedies Division, Mail Stop 6132  
330 Independence Avenue, S.W.  
Cohen Building, Room G-644  
Washington, D.C. 20201  
Attn: CMS Enrollment Appeal

The following information is required with all ALJ requests:

- Your legal business name
- Your Medicare PTAN (if applicable)
- Tax Identification Number (TIN) or Employer Identification Number (EIN)
A copy of the Hearing Officer or the CMS Regional Office (RO) decision

Alternatively, you can file your appeal electronically at the Departmental Appeals Board Electronic Filing System Web site (DAB E-File) at https://dab.efile.hhs.gov/. To file a new appeal using DAB E-File, you first need to register a new account by: (1) clicking Register on the DAB E-File home page; (2) entering the information requested on the “Register New Account” form; and (3) clicking Register Account at the bottom of the form. If you have more than one representative, each representative must register separately to use DAB E-File on your behalf.

The e-mail address and password provided during registration must be entered on the login screen at https://dab.efile.hhs.gov/user_sessions/new to access DAB E-File. A registered user’s access to DAB E-File is restricted to the appeals for which he is a party or authorized representative. Once registered, you may file your appeal by:

- Clicking the File New Appeal link on the Manage Existing Appeals screen, and then clicking Civil Remedies Division on the File New Appeal screen. And,
- Entering and uploading the requested information and documents on the “File New Appeal – Civil Remedies Division” form.

At minimum, the Civil Remedies Division (CRD) requires a party to file a signed request for hearing and the underlying notice letter from CMS that sets forth the action taken and the party’s appeal rights. All documents must be submitted in Portable Document Format (“PDF”). Any document, including a request for hearing, will be deemed to have been filed on a given day, if it is uploaded to DAB E-File on or before 11:59 p.m. ET of that day. A party that files a request for hearing via DAB E-File will be deemed to have consented to accept electronic service of appeal-related documents that CMS files, or CRD issues on behalf of the Administrative Law Judge, via DAB E-File. Correspondingly, CMS will also be deemed to have consented to electronic service. More detailed instructions on DAB E-File for CRD cases can be found by clicking the CRD E-File Procedures link on the File New Appeal Screen for CRD appeals.

Appeal rights can be found at 42 CFR §498. The regulation explains the appeal rights following the determination by the CMS as to whether such entities [meet/continue to meet] the requirements for enrollment in the Medicare program.

Please forward any questions or concerns to providerenrollmentappeals@cms.hhs.gov.

Sincerely,

[Name]

[Signature]
Health Insurance Specialist
Centers for Medicare & Medicaid Services
February 18th, 2012

Biff McSwain, M.D.
c/o Apple-A-Day Medical Services, Inc.
Anywhere, TX 70043

Reference # (PTAN #, Enrollment #, Case #, etc.)

Dear Apple-A-Day Medical Services/Biff McSwain, M.D.:

This letter is in response to your reconsideration request received by Medicare Administrative Contractor Inc. in response to a revocation. The initial determination letter was dated September 14, 2011 so the appeal was timely submitted. The following decision is based on the Social Security Act, Medicare regulations, The Center for Medicare and Medicaid Services (CMS) manual instructions, evidence in the file, and any information you may have submitted since the time of your request.

Revocation or Denial reason: 42 CFR §424.530(a)(1)

Specifically, on October 13, 2011 Medicare Administrative Contractor Inc. revoked your billing privileges effective September 14, 2011. In addition a 1 year enrollment bar was imposed.

At the time of your revocation, you did not have a license, or were not authorized by the Federal/State/local government to perform the services for which you intended to render in accordance with 42 §CFR 410.20(b). The suspension of your license was issued on September 14, 2011. Therefore you were determined not to be in compliance with the enrollment requirements.

SUMMARY OF SUBMITTED DOCUMENTATION: On March 12, 2012, Medicare Administrative Contractor, Inc. received an 855I application to re-enroll Biff McSwain MD.

EVALUATION OF SUBMITTED DOCUMENTATION: Medicare Administrative Contractor Inc. is unable to process the submitted enrollment application because Biff McSwain MD has not exceeded the re-enrollment bar period. Per 42 CFR
§424.535(c)(1), after a provider, supplier, delegated official, or authorizing official has had its billing privileges revoked, it is barred from participating in the Medicare program from the effective date of the revocation until the end of the re-enrollment bar. The re-enrollment bar is a minimum of 1 year, but not greater than 3 years depending on the severity of the basis for revocation.

DECISION: Biff McSwain MD has not provided evidence to show full compliance with the standards for which he was revoked. Therefore, we cannot grant you access to the Medicare Trust Fund (by way or issuance) of a Medicare number.

This decision is an UNFAVORABLE DECISION. Please see below for additional appeal rights.

FURTHER APPEAL RIGHTS: ADMINISTRATIVE LAW JUDGE (ALJ): If you are satisfied with this decision, you do not need to take further action. If you believe that this determination is not correct, you may request a final ALJ review. To do this, you must file your appeal within 60 calendar days after the date of receipt of this decision by writing to the following address:

Department of Health and Human Services
Departmental Appeals Board
Civil Remedies Division, Mail Stop 6132
330 Independence Avenue, S.W.
Cohen Building, Room G-644
Washington, D.C. 20201
Attn: CMS Enrollment Appeal

The following information is required with all ALJ requests:
- Your legal business name
- Your Medicare PTAN (if applicable)
- Tax Identification Number (TIN) or Employer Identification Number (EIN)
- A copy of the Hearing Officer or the CMS Regional Office (RO) decision

Alternatively, you can file your appeal electronically at the Departmental Appeals Board Electronic Filing System Web site (DAB E-File) at https://dab.efile.hhs.gov. To file a new appeal using DAB E-File, you first need to register a new account by: (1) clicking Register on the DAB E-File home page; (2) entering the information requested on the “Register New Account” form; and (3) clicking Register Account at the bottom of the form. If you have more than one representative, each representative must register separately to use DAB E-File on your behalf.

The e-mail address and password provided during registration must be entered on the login screen at https://dab.efile.hhs.gov/user_sessions/new to access DAB E-File. A registered user’s access to DAB E-File is restricted to the appeals for which he is a party or authorized representative. Once registered, you may file your appeal by:
- Clicking the File New Appeal link on the Manage Existing Appeals screen, then clicking Civil Remedies Division on the File New Appeal screen.

And,

- Entering and uploading the requested information and documents on the “File New Appeal – Civil Remedies Division” form.

At minimum, the Civil Remedies Division (CRD) requires a party to file a signed request for hearing and the underlying notice letter from CMS that sets forth the action taken and the party’s appeal rights. All documents must be submitted in Portable Document Format (“PDF”). Any document, including a request for hearing, will be deemed to have been filed on a given day, if it is uploaded to DAB E-File on or before 11:59 p.m. ET of that day. A party that files a request for hearing via DAB E-File will be deemed to have consented to accept electronic service of appeal-related documents that CMS files, or CRD issues on behalf of the Administrative Law Judge, via DAB E-File. Correspondingly, CMS will also be deemed to have consented to electronic service. More detailed instructions on DAB E-File for CRD cases can be found by clicking the CRD E-File Procedures link on the File New Appeal Screen for CRD appeals.

Appeal rights can be found at 42 CFR §498. The regulation explains the appeal rights following the determination by the CMS as to whether such entities continue to meet the requirements for enrollment in the Medicare program.

If you have any questions, please contact our office at 312-555-1212 between the hours of 8:00 AM and 5:00 PM EST.

Sincerely,

Muffy McGuire
Revalidation Specialist
Medicare Administrative Contractor Inc.

15.24.12 – Model Identity Theft Prevention Letter
(Rev. 463, Issued: 05-17-13, Effective: 04-22-13, Implementation: 06-07-13)

[month] [day], [year]

[Provider/Supplier Name]
[Address]
[City] ST [Zip]

Reference # (PTAN #, Enrollment #, Case #, etc.)
Dear [Provider/Supplier Name]:

As a security precaution, we are writing to confirm that you submitted a Medicare enrollment application(s) to enroll in or change an existing enrollment at the following address:

[Provider/Supplier Name]
[Address]
[City] ST [Zip]

If this application was submitted without your authorization, please contact the Medicare contractor that processes your claims immediately. The Medicare Fee-For-Service contact information can be found at www.cms.hhs.gov/MedicareProviderSupEnroll.

We will process your application(s) according to The Centers for Medicare & Medicaid (CMS) timeliness standards and will contact you if additional information is needed. We will notify you once processing is complete.

Please contact our office with any questions at [phone number] between the hours of [x:00 AM/PM] and [x:00 AM/PM] and refer to your application(s) reference number [Reference number]

Sincerely,

[Name]
[Title]
[Company]

15.24.13 – Identity Theft Prevention Example
(Rev. 463, Issued: 05-17-13, Effective: 04-22-13, Implementation: 06-07-13)

May 16, 2012

Joseph Bock, M.D.
1234 Maple Lane
Anywhere ME 12931

Reference # (PTAN #, Enrollment #, Case #, etc.)

Dear Dr. Bock:

As a security precaution, we are writing to confirm that you submitted a Medicare enrollment application(s) to enroll in or change an existing enrollment at the following address:
Joseph Bock, M.D.
4321 Oak Drive
Anywhere ME 12910

If this application was submitted without your authorization, please contact the Medicare contractor that processes your claims immediately. The Medicare Fee-For-Service contact information can be found at www.cms.hhs.gov/MedicareProviderSupEnroll.

We will process your application(s) according to The Centers for Medicare & Medicaid (CMS) timeliness standards and will contact you if additional information is needed. We will notify you once processing is complete.

Please contact our office with any questions at 555-555-1212 between the hours of 8 A.M. and 5 P.M. and refer to your application(s) reference number 123456789.

Sincerely,
Boris Battles
Security Analyst
Medicare Administrative Contractor, Inc.

15.24.14 – Model Documentation Request Letter
(Rev. 463, Issued: 05-17-13, Effective: 04-22-13, Implementation: 06-07-13)

[month] [day], [year]

[Provider/Supplier Name]
[Address]
[City] ST [Zip]

Reference # (PTAN #, Enrollment #, Case #, etc.)

Dear [Provider/Supplier Name]:

[Under 42 CFR § 424.516(f)(1, a provider or supplier who furnishes covered ordered items of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS), clinical laboratory, imaging services, or covered ordered/certified home health services is required to:

- Maintain documentation for 7 years from the date of service; and
- Upon the request of CMS or a Medicare contractor, provide access to that documentation.

The documentation to be maintained includes written and electronic documents]
(including the National Provider Identifier (NPI) of the physician who ordered/certified the home health services and the NPI of the physician - or, when permitted, other eligible professional - who ordered items of DMEPOS or clinical laboratory or imaging services) relating to written orders and certifications and requests for payments for items of DMEPOS and clinical laboratory, imaging, and home health services.]

Or

[Under 42 CFR § 424.516(f) (2), a physician who orders/certifies home health services and the physician - or, when permitted, other eligible professional - who orders items of DMEPOS or clinical laboratory or imaging services is required to maintain documentation for 7 years from the date of service and to provide access to that documentation pursuant to a CMS or Medicare contractor request. The documentation to be maintained includes written and electronic documents relating to written orders and certifications and requests for payments for items of DMEPOS and clinical laboratory, imaging, and home health services.]

Consistent with § 424.516(f) [(x)], please mail to us copies of the orders for the items or services that were furnished to the following beneficiaries on the dates specified:

[Beneficiary name] [Identification information] [Dates provider/supplier furnished items/services]

[Beneficiary name] [Identification information] [Dates provider/supplier furnished items/services]

(etc.)

The documentation must be received at the following address no later than 30 calendar days after the date of this letter:

[Name of MAC]
[Address]
[City], ST [Zip]

Failure to timely submit this documentation may result in the revocation of your Medicare billing privileges pursuant to 42 CFR § 424.535(a) (10).

[Name]
[Title]
[Company]

15.25 – Appeals Process
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)
A. Background

A provider or supplier whose Medicare enrollment is denied or whose Medicare billing privileges are revoked may request an appeal of that determination. Change of information request denials, reassignment denials, and effective date determinations for initial enrollments may also be appealed.

This appeal process applies to all providers and suppliers - not merely those defined in 42 CFR Part 498 - and ensures that all applicants receive a fair and full opportunity to be heard. With the implementation of the appeals provision of Section 936 of the Medicare Prescription Drug Modernization and Improvement Act (MMA), all providers and suppliers that wish to appeal will be given the opportunity to request an appeal of a reconsideration decision to an administrative law judge (ALJ) of the Department of Health and Human Services (DHHS). Providers and suppliers may thereafter seek review by the Departmental Appeals Board (DAB) and may then request judicial review.

B. Notification Letters for Denials and Revocations

If a Medicare contractor finds a legal basis for denying an application - and, if applicable under section 15.8.4 of this chapter, receives approval from the Provider Enrollment & Oversight Group (PEOG) for said denial - the contractor shall deny the application and notify the provider or supplier by letter. The denial letter shall contain:

- A legal (i.e., regulatory) basis for each reason for the denial;
- A clear explanation of why the application is being denied, including the facts or evidence that the contractor used in making its determination;
- An explanation of why the provider or supplier does not meet the applicable enrollment criteria;
- Procedures for submitting a corrective action plan (CAP); and
- Complete and accurate information about the provider or supplier’s further appeal rights.

Similarly, when a Medicare contractor discovers a basis for revoking a provider or supplier’s enrollment - and, if applicable under section 15.27.2 of this chapter, receives approval from PEOG for the revocation - the contractor shall revoke billing privileges and notify the provider or supplier by letter. The revocation letter shall contain:

- A legal (i.e., regulatory) basis for each reason for revocation;
- A clear explanation of why Medicare billing privileges are being revoked, including the facts or evidence that the contractor used in making its determination;
• An explanation of why the provider or supplier does not meet the applicable enrollment criteria;

• The effective date of the revocation (see section 15.27.2(C) of this chapter for more information);

• Procedures for submitting a CAP; and

• Complete and accurate information about the provider or supplier’s further appeal rights.

15.25.1 - Appeals Involving Non-Certified Suppliers
(Rev. 440, Issued: 11-23-12, Effective: 12-24-12, Implementation: 12-24-12)

Sections 15.25.1.1 through 15.25.1.3 below apply to:

• Individuals and solely-owned entities completing the Form CMS-855I

• Suppliers of durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS)

• Suppliers completing the Form CMS-855B, with the exception of ambulatory surgical centers and portable x-ray suppliers

15.25.1.1 – Corrective Action Plans (CAPs)
(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

A. Requirements and Submission of CAPs

The CAP process gives a supplier an opportunity to correct the deficiencies (if possible) that resulted in the denial of its application or the revocation of its billing privileges. The CAP must:

(1) Contain, at a minimum, verifiable evidence that the supplier is in compliance with Medicare requirements;

(2) Be submitted within 30 days from the date of the denial or revocation notice;

(3) Be submitted in the form of a letter that is signed and dated by the individual supplier, the authorized or delegated official, or a legal representative;

(4) For revocations, be based on §424.535(a)(1). Consistent with § 405.809, CAPs for revocations based on grounds other than §424.535(a)(1) shall not be accepted. (For revocations based on multiple grounds of which one is §424.535(a)(1), the CAP may be accepted with respect to (a)(1) but not with respect to the other grounds.) If the supplier
submits a CAP that does not comply with this paragraph, the contractor shall notify the supplier via letter or e-mail that it cannot be considered. (If multiple grounds are involved of which one is (a)(1), the contractor shall:

- Only consider the portion of the CAP pertaining to (a)(1), and
- Notify the supplier in its decision letter (or, if the contractor wishes, via letter or e-mail prior to issuing the decision letter) that under §405.809, the CAP was/will be reviewed only with respect to the (a)(1) revocation reason.)

The contractor may create a standard CAP form to be sent with the denial or revocation letter to easily identify it as a CAP when it is returned. The contractor may also accept CAPs via fax or e-mail.

If the submitted CAP does not comply with (1) or (3) above:

- Denials - The contractor need not contact the supplier for the missing information or documentation. It can simply deny the CAP.
- Revocations – The contractor shall not contact the supplier for the missing information or documentation. It shall simply deny the CAP. (Under §405.809(a)(2), the supplier has only one opportunity to correct all deficiencies that served as the basis of its revocation through a CAP.)

The contractor may make a good cause determination so as to accept any CAP that has been submitted beyond the 30-day filing period.

The supplier’s contact person (as listed in section 13 of the Form CMS-855) does not qualify as a “legal representative” for purposes of signing a CAP.

**B. Processing and Approval of CAPs**

The contractor shall process a CAP within 60 days of receipt. During this period, the contractor shall not toll the filing requirements associated with a reconsideration request.

*The CAP shall be considered and processed by a contractor staff person who-- (1) Was not involved in the initial decision to deny or revoke enrollment; and (2) Is not conducting a concomitant reconsideration of the provider’s or supplier’s denial/revocation. In other words, separate individuals must conduct/perform/review the denial/revocation, the CAP, and the reconsideration. This is to ensure completely independent reviews of all three transactions.*

If the contractor approves a CAP, it shall rescind the denial or revocation, issue or restore billing privileges (as applicable), and notify the supplier thereof via letter. For new or restored billing privileges – and unless stated otherwise in another CMS
directive or instruction - the effective date is based on the date the supplier came into compliance with all Medicare requirements. Consider the following examples:

1. Denials - A physician’s initial enrollment application is denied on March 1. The physician submits a CAP showing that, as of March 20, the physician was in compliance with all Medicare requirements. The effective date of billing privileges should be March 20. The 30-day “backbilling rule” should not be applied in this situation because the rule assumes that the provider was in compliance with Medicare requirements during the 30-day period. This was not the case here. The physician was not in compliance with Medicare requirements until March 20.

2. Revocations – A site visit is conducted of a revalidating ambulance supplier. The supplier is found to be out of compliance with certain enrollment requirements. The supplier’s billing privileges were therefore revoked effective April 1. The supplier submitted a CAP showing that – as of April 10 – it was in compliance with all enrollment requirements. The contractor shall apply a new effective date of April 10 to the supplier’s Provider Transaction Access Number of April 10. Services furnished during the period when the supplier was out of compliance with Medicare requirements shall not be paid.

For an approved CAP, the contractor shall use the receipt date of the CAP request as the receipt date entered in the Provider Enrollment, Chain and Ownership System.

For DMEPOS suppliers, the effective date is the date it is awarded by the National Supplier Clearinghouse. CMS’ approval is required prior to restoring DMEPOS billing privileges.

C. Concurrent Submission of CAP and Reconsideration Request

If a CAP and a reconsideration request (see section 15.25.1.2 below) are submitted concurrently, the contractor shall first process and make a determination on the CAP. The contractor and the reconsideration hearing officer (HO) shall coordinate with one another prior to acting on a CAP or reconsideration request to determine if the other party has received a request.

If the CAP is accepted, the standard approval letter (or, if applicable, a notice of rescission of the revocation) shall be sent to the supplier with a statement that the reconsideration request should be withdrawn.

If the CAP is denied:

- It cannot be appealed.
- The contractor shall notify the supplier of the denial via letter.
- The reconsideration request, if submitted, shall be processed. (The contractor
shall not toll the filing requirements associated with a reconsideration request, see section 15.25.1.1 (B) above).

15.25.1.2 – Reconsideration Requests – Non-Certified Providers/Suppliers
(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

NOTE: This section 15.25.1.2 does not apply to reconsiderations of revocations based wholly or partially on §424.535(a)(2), §424.535(a)(3), §424.535(a)(4), §424.535(a)(8), §424.535(a)(13), and §424.535(a)(14) and reconsiderations of denials based wholly or partially on §424.530(a)(3). Such reconsiderations are addressed in section 15.25.2.2 below.

A. Timeframe for Submission

A supplier that wishes to request a reconsideration must file its request in writing with the Medicare contractor within 60 days from the supplier’s receipt of the notice of denial or revocation to be considered timely filed. Per 42 CFR §498.22(b)(3), the date of receipt is presumed to be 5 days after the date on the notice unless there is a showing that it was, in fact, received earlier or later. A reconsideration request submitted on the 65th day that falls on a weekend or holiday shall still be considered timely filed. The date on which the contractor receives the request is considered to be the date of filing.

Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review. However, if a request for reconsideration is filed late, the reconsideration HO shall make a finding of good cause before taking any other action on the appeal. The time limit may be extended if good cause for late filing is shown. Good cause may be found when the record clearly shows or the party alleges and the record does not negate that the delay in filing was due to one of the following:

- Unusual or unavoidable circumstances, the nature of which demonstrate that the individual could not reasonably be expected to have been aware of the need to file timely; or

- Destruction by fire, or other damage, of the individual’s records when the destruction was responsible for the delay in filing.

B. Signatures

The reconsideration request must be submitted in the form of a letter that is signed and dated by the individual supplier, the authorized or delegated official, or a legal representative.

(NOTE: The supplier’s contact person (as listed in section 13 of the Form CMS-855) does not qualify as a “legal representative” for purposes of signing a reconsideration request.)
For DMEPOS suppliers, the request must be signed by the authorized official, delegated official, owner or partner.

C. Contractor’s Receipt of Reconsideration Request

Upon receipt of a reconsideration request, the hearing officer (HO) shall send a letter to the supplier to acknowledge receipt of its request. In his or her acknowledgment letter, the HO shall advise the requesting party that the reconsideration will be conducted and a determination issued within 90 days from the date of the request. The HO shall include a copy of the acknowledgment letter in the reconsideration file.

D. Reconsideration Determination

If a timely request for a reconsideration is made, the reconsideration shall be conducted by a HO or senior staff having expertise in provider enrollment and who was not involved in the (1) initial decision to deny or revoke enrollment, or (2) the CAP determination. In other words, separate individuals must conduct/perform/review the denial/revocation, the CAP, and the reconsideration. This is to ensure completely independent reviews of all three transactions.

The HO must hold an on-the-record reconsideration and issue a determination within 90 days of the date of the appeal request.

Consistent with 42 CFR §498.24(a), the provider, the supplier, or the Medicare contractor may submit corrected, new, or previously omitted documentation or other facts in support of its reconsideration request at any time prior to the HO’s decision. The HO must determine whether the denial or revocation is warranted based on all of the evidence presented. This includes:

- The initial determination itself,
- The findings on which the initial determination was based,
- The evidence considered in making the initial determination, and
- Any other written evidence submitted under § 498.24(a), taking into account facts relating to the status of the provider or supplier subsequent to the initial determination.

If the appealing party has additional information that it would like a hearing officer to consider during the reconsideration or, if necessary, an administrative law judge to consider during a hearing, the party must submit that information with its request for reconsideration. This is the party’s only opportunity to submit information during the administrative appeals process; the party will not have another opportunity to do so unless an administrative law judge specifically allows the party to do so under 42 CFR
§498.56(e).

E. Issuance of Reconsideration Decision

The HO shall issue a written decision within 90 days of the date of the request. He/she shall: (1) forward the decision to the Medicare contractor via e-mail, fax, or mail, and (2) mail the decision to the supplier. The reconsideration letter shall include:

- The re-stated facts and findings, including the regulatory basis for the action as determined by the contractor in its initial determination;

- A summary of the documentation that the supplier provided;

- A clear explanation of why the HO is upholding or overturning the denial or revocation action in sufficient detail for the supplier to understand the HO’s decision and, if applicable, the nature of the supplier’s deficiencies;

- If applicable, the regulatory basis to support each reason for the denial or revocation;

- If applicable, an explanation of how the supplier does not meet the enrollment criteria or requirements;

- Further appeal rights, procedures for requesting an administrative law judge (ALJ) hearing, and the addresses to which the written appeal must be mailed or e-mailed; and

- Information the supplier must include with its appeal (name/legal business name; supplier number (if applicable); tax identification number/employer identification number (TIN/EIN); and a copy of the reconsideration decision).

If the HO overturns the contractor’s decision, the contractor shall rescind the denial or revocation, issue or restore billing privileges (as applicable), and notify the supplier thereof via letter. For initial enrollments, the effective date of Medicare billing privileges is based on the date the supplier came into compliance with all Medicare requirements or the receipt date of the application – subject, of course, to any applicable “backbilling” restrictions. (See section 15.17 of this chapter for more information.) The contractor shall use the receipt date of the reconsideration request as the receipt date entered in the Provider Enrollment, Chain and Ownership System. For DMEPOS suppliers, the effective date is the date it is awarded by the National Supplier Clearinghouse.

F. Withdrawal of Reconsideration Request

The supplier or the individual who submitted the reconsideration request may withdraw the reconsideration request at any time prior to the mailing of the reconsideration
decision. The withdrawal request must be in writing, signed, and filed with the Medicare contractor. If the contractor receives such a request, it shall send a letter or e-mail to the supplier acknowledging the receipt of the request and advising that the reconsideration action will be terminated.

G. Reports

The contractor shall maintain a report detailing the number of reconsideration requests it receives, the outcomes (e.g., decision withheld, reversed, or further appeal requested or requests withdrawn), and the reason(s) for whatever decision was made. The contractor is not required to submit this information to CMS but it must be provided upon request.

15.25.1.3 – Additional Appeal Levels
(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

A. Administrative Law Judge (ALJ) Hearing

CMS, a Medicare contractor, or a supplier dissatisfied with a reconsidered determination is entitled to a hearing before an ALJ. The ALJ has delegated authority from the Secretary of the Department of Health and Human Services (DHHS) to exercise all duties, functions, and powers relating to holding hearings and rendering decisions. Such an appeal must be filed, in writing, within 60 days from receipt of the reconsideration decision. ALJ requests should be sent to:

Department of Health and Human Services
Departmental Appeals Board (DAB)
Civil Remedies Division, Mail Stop 6132
330 Independence Avenue, S.W.
Cohen Bldg, Room G-644
Washington, D.C. 20201
ATTN: CMS Enrollment Appeal

(ALJ requests can also be submitted electronically at https://dab.efile.hhs.gov/.)

Failure to timely request an ALJ hearing is deemed a waiver of all rights to further administrative review.

Upon receipt of a request for an ALJ hearing, an ALJ at the Departmental Appeals Board (DAB) will issue a letter by certified mail to the supplier, CMS and the Regional Office of General Counsel (OGC) acknowledging receipt of an appeals request and detailing a scheduled pre-hearing conference. The OGC will assign an attorney to represent CMS during the appeals process; he/she will also serve as the DAB point of contact. Neither CMS nor the Medicare contractor are required to participate in the pre-hearing conference but should coordinate among themselves and the OGC attorney prior to the pre-hearing to discuss any issues. The Medicare contractor shall work with
and provide the OGC attorney with all necessary documentation. This includes compiling and sending all relevant case material to the OGC attorney upon the latter’s request within 5 calendar days of said request.

The following are examples of information the Medicare contractor may be asked to provide:

- A copy of the initial determination letter.
- A chronological timeline outlining the processing of applications, the date they began providing services at the newest assigned location, and if there were information request; including the CAP and/or reconsideration request.
- The HO’s decision; including the provider’s CAP or reconsideration request.
- A complete copy of Form CMS-855, and any supporting documentation submitted with the provider’s application.
- All background information and investigative data that the HO used to make their decision. Including any on-site visit reports; the contractor’s recommendation for administrative action based on the on-site visit;
- Contact information for the person(s) who signed both the revocation and reconsideration letters.
- This is not an exhaustive list.

Any settlement proposals, as a result of the pre-hearing conference, will be addressed with CMS. If CMS agrees to settle a provider enrollment appeal, CMS will notify the contractor of appropriate next steps (e.g. changing the effective date of billing privileges or reinstating a provider’s billing privileges). This may result in PEOG providing specific instructions to the contractor to modify template letter language to appropriately notify the provider of changes to its enrollment status, revocation effective date, or effective date of billing privileges.

If an ALJ decision is rendered that overturns, modifies the initial determination establishing an effective date, revocation or denial of billing privileges, or remands a case back to CMS, this may also result in PEOG providing specific instructions to the contractor to draft and issue a revised reconsideration decision and/or modify template letter language to appropriately notify the provider of changes to its enrollment status, revocation effective date, or effective date of billing privileges.

The contractor shall complete all steps associated with the settlement or ALJ decision no later than 5 business days from the date it received PEOG’s specific instructions.

B. Departmental Appeals Board (DAB) Hearing
CMS or a supplier dissatisfied with the ALJ hearing decision may request a Board review by the DAB. Such a request must be filed within 60 days after the date of receipt of the ALJ’s decision. Failure to timely request a DAB review is deemed to be a waiver of all rights to further administrative review.

The DAB will use the information in the case file established at the reconsideration level and any additional evidence introduced at the ALJ hearing to make its determination. The DAB may admit additional evidence into the record if the DAB considers it relevant and material to an issue before it. Before such evidence is admitted, notice is mailed to the parties stating that evidence will be received regarding specified issues. The parties are given a reasonable time to comment and to present other evidence pertinent to the specified issues. If additional information is presented orally to the DAB, a transcript will be prepared and made available to any party upon request.

When CMS receives a decision or order from the DAB, as appropriate, PEOG will notify the contractor of appropriate next steps (i.e. changing an effective date or reinstating a provider’s billing privileges). This may also result in PEOG providing specific instructions to the contractor to draft and issue a revised reconsideration decision and/or modify template letter language to appropriately notify the provider of changes to its enrollment status, revocation effective date, or effective date of billing privileges.

The contractor shall complete all steps associated with the DAB decision no later than 5 business days from the date it received PEOG’s specific instructions.

C. Judicial Review

A supplier dissatisfied with a DAB decision may seek judicial review by timely filing a civil action in a United States District Court. Such a request shall be filed within 60 days from receipt of the notice of the DAB’s decision.

15.25.2 - Appeals Involving Certified Providers and Certified Suppliers

(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

Sections 15.25.2.1 through 15.25.2.3 below apply to:

- Providers and suppliers completing the Form CMS-855A
- Ambulatory surgical centers
- Portable x-ray suppliers
- Also, section 15.25.2.2 applies to reconsiderations of revocations based wholly or partially on §424.535(a)(2), §424.535(a)(3), §424.535(a)(4), §424.535(a)(8),
§424.535 (a)(13), and §424.535 (a)(14) and reconsiderations of denials based wholly or partially on §424.530(a)(3), regardless of provider or supplier type.

15.25.2.1 – Corrective Action Plans (CAPs)
(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

A. Submission of CAPs

The CAP process gives a provider or supplier (hereinafter collectively referred to as “providers”) an opportunity to correct the deficiencies (if possible) that resulted in the denial of its application or the revocation of its billing privileges. The CAP must:

1. Contain, at a minimum, verifiable evidence that the provider is in compliance with Medicare requirements;

2. Be submitted within 30 days from the date of the denial or revocation notice;

3. Be submitted in the form of a letter that is signed and dated by the individual supplier, the authorized or delegated official, or a legal representative.

4. For revocations, be based on §424.535(a)(1). Consistent with §405.809, CAPs for revocations based on grounds other than §424.535(a)(1) cannot be accepted. (For revocations based on multiple grounds of which one is §424.535(a)(1), the CAP may be accepted with respect to (a)(1) but not with respect to the other grounds.) CMS’ PEOG, which processes all CAPs, will notify the provider if a CAP cannot be accepted.

CAP requests must be sent to the following address:

Centers for Medicare & Medicaid Services
Center for Program Integrity
Provider Enrollment & Oversight Group
7500 Security Boulevard
Mailstop AR 18-50
Baltimore, MD 21244-1850

If the contractor inadvertently receives a CAP request, it shall immediately forward it to PEOG at this address or, if possible, to the following PEOG mailbox: providerenrollmentappeals@cms.hhs.gov.

Also:

- PEOG may make a good cause determination so as to accept any CAP that has been submitted beyond the 30-day filing period.

- The provider’s contact person (as listed in section 13 of the Form CMS-855) does not qualify as a “legal representative” for purposes of signing a
reconsideration request.

B. Processing and Approval of CAPs

PEOG will process a CAP within 60 days. During this period, PEOG will not toll the filing requirements associated with a reconsideration request.

The contractor shall work with and provide PEOG with all necessary documentation.

Examples of information the Medicare contractor will be asked to provide:

- A copy of the initial determination letter.

- A chronological timeline outlining the processing of applications, the date they began providing services at the newest assigned location, and if there were information request; including the CAP and/or reconsideration request.

- A complete copy of Form CMS-855, and any supporting documentation submitted with the provider’s application.

- This is not an exhaustive list.

The contractor shall supply PEOG with all requested documentation within 5 business days.

If PEOG approves a CAP, it will: (1) notify the contractor to rescind the denial or revocation and permit or restore enrollment (as applicable), and (2) notify the provider thereof via letter. If applicable, PEOG will also notify the contractor of the effective date.

If PEOG denies a CAP, it will notify the provider via letter (on which the contractor will be copied) of the denial and associated appeal rights.

15.25.2.2 – Reconsideration Requests – Certified Providers and Certified Suppliers
(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

This section 15.25.2.2 also applies to reconsiderations of revocations based wholly or partially on §424.535(a)(2), §424.535(a)(3), §424.535(a)(4) or §424.535(a)(8), §424.535(a)(13), and §424.535(a)(14), and reconsiderations of denials based wholly or partially on §424.530(a)(3), regardless of provider or supplier type.

A. Timeframe for Submission

A provider that wishes to request a reconsideration must submit its request, in writing, to CMS’ PEOG within 60 days from the supplier’s receipt of the notice of denial or
revocation to be considered timely filed. Per 42 CFR §498.22(b)(3), the date of receipt is presumed to be 5 days after the date on the notice unless there is a showing that it was, in fact, received earlier or later. The mailing address is:

Centers for Medicare & Medicaid Services  
Center for Program Integrity  
Provider Enrollment & Oversight Group  
7500 Security Boulevard  
Mailstop AR-18-50  
Baltimore, MD 21244-1850

PEOG will extend the filing period an additional 5 days to allow for mail time. A reconsideration request submitted on the 65th day that falls on a weekend or holiday will still be considered timely filed. The date on which PEOG receives the request is considered to be the date of filing.

Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review. However, if a request for reconsideration is filed late, PEOG will make a finding of good cause before taking any other action on the appeal. The time limit may be extended if good cause for late filing is shown. Good cause may be found when the record clearly shows or the party alleges and the record does not negate that the delay in filing was due to one of the following:

- Unusual or unavoidable circumstances, the nature of which demonstrate that the individual could not reasonably be expected to have been aware of the need to file timely; or
- Destruction by fire, or other damage, of the individual’s records when the destruction was responsible for the delay in filing.

B. Signatures

A reconsideration request must be signed by an authorized official, delegated official, or legal representative of the provider. The provider’s contact person (as listed in section 13 of the Form CMS-855) does not qualify as a “legal representative” for purposes of signing a reconsideration request.

C. Receipt of Reconsideration Request

Upon receipt of a reconsideration request, PEOG will send a letter to the provider to acknowledge receipt of the request. In its acknowledgment letter, PEOG will advise the provider that the reconsideration will be conducted and a determination issued within 90 days from the date of the request. PEOG will include a copy of the acknowledgment letter in the reconsideration file.

If the contractor inadvertently receives a reconsideration request from a certified
provider or certified supplier, it shall immediately forward it to PEOG at this address or, if possible, to the following PEOG mailbox:
providerenrollmentappeals@cms.hhs.gov.

D. Reconsideration Determination

As already stated, if a timely request for a reconsideration is made, PEOG will consider the request and issue a determination within 90 days of the request.

The HO must determine whether the denial or revocation is warranted based on all of the evidence presented. This includes:

- The initial determination itself,
- The findings on which the initial determination was based,
- The evidence considered in making the initial determination, and
- Any other written evidence submitted under § 498.24(a), taking into account facts relating to the status of the provider or supplier subsequent to the initial determination.

_The contractor shall work with and provide PEOG with all necessary documentation._

_The following are examples of information the Medicare contractor will be asked to provide:_

- _A copy of the initial determination letter._
- _A chronological timeline outlining the processing of applications, the date they began providing services at the newest assigned location, and if there were information request; including the CAP and/or reconsideration request._
- _A complete copy of Form CMS-855, and any supporting documentation submitted with the provider’s application._
- _This is not an exhaustive list._

_The contractor shall supply PEOG with all requested documentation within 5 business days._

If the appealing party has additional information that it would like a hearing officer to consider during the reconsideration or, if necessary, an administrative law judge to consider during a hearing, the party must submit that information with its request for reconsideration. This is the party’s only opportunity to submit information during the
administrative appeals process; the party will not have another opportunity to do so unless an administrative law judge specifically allows the party to do so under 42 CFR §498.56(e).

**PEOG** may not introduce new denial or revocation reasons or change a denial or revocation reason listed in the initial determination during the reconsideration process.

**E. Issuance of Reconsideration Decision**

PEOG will issue a written decision within 90 days of the date of the request. It will: (1) forward the decision to the Medicare contractor via e-mail, fax, or mail, and (2) mail the decision to the provider or the individual who signed the reconsideration request. The reconsideration letter will include:

- The re-stated facts and findings, including the regulatory basis for the action as determined by the contractor in its initial determination;
- A summary of the documentation that the provider furnished;
- A clear explanation of why PEOG is upholding or overturning the denial or revocation action in sufficient detail for the provider to understand PEOG’s decision and, if applicable, the nature of the provider’s deficiencies;
- If applicable, the regulatory basis to support each reason for the denial or revocation;
- If applicable, an explanation of how the provider does not meet the enrollment criteria or requirements;
- Further appeal rights, procedures for requesting an administrative law judge (ALJ) hearing, and the address to which the written appeal must be mailed or e-mailed; and
- Information that the provider must include with its appeal (name/legal business name; supplier number (if applicable); tax identification number/employer identification number (TIN/EIN); and a copy of the reconsideration decision).

If PEOG approves a CAP, it will: (1) notify the contractor to rescind the denial or revocation and issue or restore billing privileges (as applicable), and (2) notify the provider thereof via letter. If applicable, PEOG will also notify the contractor of the effective date.

**F. Withdrawal of Reconsideration Request**

The provider or the individual who signed the reconsideration request may withdraw its request at any time prior to the mailing of the reconsideration decision. The withdrawal
request must be in writing, signed, and filed with PEOG at the address in (A) above.

15.25.2.3 – Additional Appeal Levels
(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

A. Administrative Law Judge (ALJ) Hearing

CMS, a Medicare contractor, or a provider dissatisfied with a reconsidered determination is entitled to a hearing before an ALJ. The ALJ has delegated authority from the Secretary of the Department of Health and Human Services (DHHS) to exercise all duties, functions, and powers relating to holding hearings and rendering decisions. Such an appeal must be filed, in writing, within 60 days from receipt of the reconsideration decision. ALJ requests should be sent to:

- Department of Health and Human Services
- Departmental Appeals Board (DAB)
- Civil Remedies Division, Mail Stop 6132
- 330 Independence Avenue, S.W.
- Cohen Bldg, Room G-644
- Washington, D.C. 20201
- ATTN: CMS Enrollment Appeal

(ALJ requests can also be submitted electronically at https://dab.efile.hhs.gov/.)

Failure to timely request an ALJ hearing is deemed a waiver of all rights to further administrative review.

Upon receipt of a request for an ALJ hearing, an ALJ at the Departmental Appeals Board (DAB) will issue a letter by certified mail to the provider, CMS and the Regional Office of General Counsel (OGC) acknowledging receipt of an appeals request and detailing a scheduled pre-hearing conference. The OGC will assign an attorney to represent CMS during the appeals process; he/she will also serve as the DAB point of contact. Neither CMS nor the Medicare contractor are required to participate in the pre-hearing conference but should coordinate among themselves and the OGC attorney prior to the pre-hearing to discuss any issues. The Medicare contractor shall work with and provide the OGC attorney with all necessary documentation. This includes compiling and sending all relevant case material to the OGC attorney upon the latter’s request within 5 calendar days of said request.

The following are examples of information the Medicare contractor may be asked to provide:

- A copy of the initial determination letter.

- A chronological timeline outlining the processing of applications, the date they began providing services at the newest assigned location, and if there were
information request; including the CAP and/or reconsideration request.

• The HO’s decision; including the provider’s CAP or reconsideration request.

• A complete copy of Form CMS-855, and any supporting documentation submitted with the provider’s application.

• All background information and investigative data that the HO used to make their decision. Including any on-site visit reports; the contractor’s recommendation for administrative action based on the on-site visit;

• Contact information for the person(s) who signed both the revocation and reconsideration letters.

• This is not an exhaustive list.

Any settlement proposals, as a result of the pre-hearing conference, will be addressed with CMS. If CMS agrees to settle a provider enrollment appeal, CMS will notify the contractor of appropriate next steps (e.g. changing the effective date of billing privileges or reinstate a provider’s billing privileges). This may result in PEOG providing specific instructions to the contractor to modify template letter language to appropriately notify the provider of changes to its enrollment status, revocation effective date, or effective date of billing privileges.

If an ALJ decision is rendered that overturns, modifies the initial determination establishing an effective date, revocation or denial of billing privileges, or remands a case back to CMS, this may also result in PEOG providing specific instructions to the contractor to draft and issue a revised reconsideration decision and/or modify template letter language to appropriately notify the provider of changes to its enrollment status, revocation effective date, or effective date of billing privileges.

The contractor shall complete all steps associated with the settlement or ALJ decision no later than 5 business days from the date it received PEOG’s specific instructions.

B. Departmental Appeals Board (DAB) Hearing

The CMS or a provider dissatisfied with the ALJ hearing decision may request a Board review by the DAB. Such a request must be filed within 60 days after the date of receipt of the ALJ’s decision. Failure to timely request a DAB review is deemed to be a waiver of all rights to further administrative review.

The DAB will use the information in the case file established at the reconsideration level and any additional evidence introduced at the ALJ hearing to make its determination. The DAB may admit additional evidence into the record if the DAB considers it relevant and material to an issue before it. Before such evidence is admitted, notice is mailed to the parties stating that evidence will be received regarding
specified issues. The parties are given a reasonable time to comment and to present other evidence pertinent to the specified issues. If additional information is presented orally to the DAB, a transcript will be prepared and made available to any party upon request.

*When CMS receives a decision or order from the DAB, as appropriate, PEOG will notify the contractor of appropriate next steps (i.e. changing an effective date or reinstating a provider’s billing privileges). This may also result in PEOG providing specific instructions to the contractor to draft and issue a revised reconsideration decision and/or modify template letter language to appropriately notify the provider of changes to its enrollment status, revocation effective date, or effective date of billing privileges.*

*The contractor shall complete all steps associated with the DAB decision no later than 5 business days from the date it received PEOG’s specific instructions.*

C. Judicial Review

A provider dissatisfied with a DAB decision may seek judicial review by timely filing a civil action in a United States District Court. Such a request shall be filed within 60 days from receipt of the notice of the DAB’s decision.

**15.26 – Special Provisions for HHAs**
*Rev. 362, Issued: 12-17-10, Effective: 01-01-11, Implementation: 01-01-11*

**15.26.1 – HHA Ownership Changes**
*Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16*

A. Background

Effective January 1, 2011, and in accordance with 42 CFR §424.550(b)(1) - if there is a change in majority ownership of an HHA by sale (including asset sales, stock transfers, mergers, and consolidations) within 36 months after the effective date of the HHA’s initial enrollment in Medicare or within 36 months after the HHA’s most recent change in majority ownership, the provider agreement and Medicare billing privileges do not convey to the new owner. The prospective provider/owner of the HHA must instead:

- Enroll in the Medicare program as a new (initial) HHA under the provisions of §424.510, and
- Obtain a State survey or an accreditation from an approved accreditation organization.

For purposes of §424.550(b)(1), a “change in majority ownership” (as defined in 42 CFR §424.502) occurs when an individual or organization acquires more than a 50 percent direct ownership interest in an HHA during the 36 months following the HHA’s
initial enrollment into the Medicare program or the 36 months following the HHA’s most recent change in majority ownership (including asset sales, stock transfers, mergers, or consolidations). This includes an individual or organization that acquires majority ownership in an HHA through the cumulative effect of asset sales, stock transfers, consolidations, or mergers during the 36-month period after Medicare billing privileges are conveyed or the 36-month period following the HHA’s most recent change in majority ownership. This rule pertains to both a single and multiple ownership transactions on the form CMS 855A, including changes of ownership or changes of information, that result in any one individual or organization acquiring greater than 50 percent ownership in the HHA.

B. Exceptions

There are several exceptions to §424.550(b)(1). Specifically, the requirements of §424.550(b)(1) do not apply if:

- The HHA has submitted 2 consecutive years of full cost reports. (For purposes of this exception, low utilization or no utilization cost reports do not qualify as full cost reports.)

- The HHA’s parent company is undergoing an internal corporate restructuring, such as a merger or consolidation.

- The HHA is changing its existing business structure – such as from a corporation, a partnership (general or limited), or an LLC to a corporation, a partnership (general or limited) or an LLC - and the owners remain the same.

- An individual owner of the HHA dies.

In addition, §424.550(b)(1) does not apply to “indirect” ownership changes.

C. Effective Date

As indicated earlier, the provisions of 42 CFR §424.550(b)(1) and (2) as enacted in “CMS-6010-F, Medicare Program; Home Health Prospective Payment System Rate Update for Calendar Year 2011; Changes in Certification Requirements for Home Health Agencies and Hospices; Final Rule” – are effective January 1, 2011. This means that these provisions impact only those HHA ownership transactions whose effective date is on or after January 1, 2011. However, the provisions can apply irrespective of when the HHA first enrolled in Medicare. Consider the following illustrations:

- Example 1 – Smith HHA initially enrolls in Medicare effective July 1, 2009. Smith undergoes a change in majority ownership effective September 1, 2011. The provisions of §424.550(b)(1) apply to Smith because it underwent a change in majority ownership within 36 months of its initial enrollment.
Example 2 – Jones HHA initially enrolls in Medicare effective July 1, 2007. Jones undergoes a change in majority ownership effective February 1, 2011. Section 424.550(b)(1) does not apply to this transaction because it occurred more than 36 months after Jones’s initial enrollment. Suppose, however, than Jones undergoes another change in majority ownership effective February 1, 2012. Section 424.550(b)(1) would apply to this transaction because it took place within 36 months after Jones’s most recent change in majority ownership (i.e., on February 1, 2011).

Example 3- Johnson HHA initially enrolls in Medicare effective July 1, 2006. It undergoes a change in majority ownership effective October 1, 2010. This transaction is not affected by §424.550(b)(1) – as enacted in CMS-6010-F – because: (1) its effective date was prior to January 1, 2011, and (2) it occurred more than 36 months after the effective date of Johnson’s initial enrollment. Johnson undergoes another change in majority ownership effective October 1, 2012. This change would be affected by §424.550(b)(1) because it occurred within 36 months of the HHA’s most recent change in majority ownership (i.e., on October 1, 2010).

Example 4 – Davis HHA initially enrolls in Medicare effective July 1, 1999. It undergoes its first change in majority ownership effective February 1, 2011. This change is not affected by §424.550(b)(1) because it occurred more than 36 months after Davis’s initial enrollment. Davis undergoes another change in majority ownership effective July 1, 2014. This change, too, would be unaffected by §424.550(b)(1), as it occurred more than 36 months after the HHA’s most recent change in majority ownership (i.e., on February 1, 2011). Davis undergoes another majority ownership change on July 1, 2016. This change would be impacted by §424.550(b)(1), since it occurred within 36 months of the HHA’s most recent change in majority ownership (i.e., on July 1, 2014).

D. Section 424.550(b)(1)’s Applicability

If the contractor receives a Form CMS-855A application reporting an HHA ownership change (and unless a CMS instruction or directive states otherwise), it shall undertake the following steps:

1. Step 1 – Change in Majority Ownership

The contractor shall determine whether a change in direct majority ownership has occurred. Through its review of the transfer agreement, sales agreement, bill of sale, etc., the contractor shall verify whether:

- The ownership change was a direct ownership change and not a mere indirect ownership change, and
- The change involves a party assuming a greater than 50 percent ownership interest in the HHA.
Assumption of a greater than 50 percent direct ownership interest can generally occur in one of three ways. First, an outside party that is currently not an owner can purchase more than 50 percent of the business in a single transaction. Second, an existing owner can purchase an additional interest that brings its total ownership stake in the business to greater than 50 percent. For instance, if a 40 percent owner purchased an additional 15 percent share of the HHA, this would constitute a change in majority ownership. This is consistent with the verbiage in the aforementioned definition of “change in majority ownership” regarding the “cumulative effect” of asset sales, transfers, etc.

Another example of a change in majority ownership would be if a 50 percent owner obtains any additional amount of ownership (regardless of the percentage) and hence becomes a majority owner; thus, for instance, if a 50 percent owner were to acquire an additional .001 percent ownership stake, he or she becomes a majority owner and the transaction involves a change in majority ownership.

If the transfer does not qualify as a change in majority ownership, the contractor can process the application normally. If it does qualify, the contractor shall proceed to Step 2:

2. **Step 2 – 36-Month Period**

The contractor shall determine whether the effective date of the transfer is within 36 months after the effective date of the HHA’s: (1) initial enrollment in Medicare, or (2) most recent change in majority ownership. The contractor shall verify the effective date of the reported transfer by reviewing a copy of the transfer agreement, sales agreement, bill of sale, etc., rather than relying upon the date of the sale as listed on the application. It shall also review its records – and, if necessary, request additional information from the HHA – regarding the effective date of the HHA’s most recent change in majority ownership, if applicable.

If the effective date of the transfer does not fall within either of the aforementioned 36-month periods, the contractor may process the application normally. If the transfer’s effective date falls within one of these timeframes, the contractor shall proceed to Step 3.

3. **Step 3 – Applicability of Exceptions**

If the contractor determines that a change in majority ownership has occurred within either of the above-mentioned 36-month periods, the contractor shall also determine whether any of the exceptions in §424.550(b)(2) apply. As alluded to earlier, the exceptions are as follows:

a. The HHA has submitted 2 consecutive years of full cost reports.

   - For purposes of this exception, low utilization or no utilization cost reports do not qualify as full cost reports. As stated in [CMS Pub. 15-2, Provider Reimbursement](#)
Manual, Part 2, section 3204, please refer to 42 CFR §413.24(h) for a definition of low Medicare utilization.

- The cost reports must have been consecutive, meaning that they were submitted in each of the 2 years preceding the effective date of the transfer. Submit any request for a cost reporting exception to your Provider Enrollment & Oversight Group Business Function Lead (PEOG BFL).

b. The HHA’s parent company is undergoing an internal corporate restructuring, such as a merger or consolidation.

c. The HHA is changing its existing business structure – such as from a corporation, a partnership (general or limited), or an LLC to a corporation, a partnership (general or limited) or an LLC - and the owners remain the same.

- If the HHA is undergoing a change in business structure other than those which are specifically mentioned in this exemption (e.g., corporation to an LLC), the contractor shall contact its PEOG BFL for guidance.

- For the exemption to apply, the owners must remain the same.

d. An individual owner of the HHA dies – regardless of the percentage of ownership the person had in the HHA.

E. Determination

If the contractor concludes that one of the aforementioned exceptions applies (and unless a CMS instruction or directive states otherwise), it may process the application normally. If no exception applies, the contractor shall refer the case to its PEOG BFL for review. Under no circumstances shall the contractor take action against the HHA without the prior approval of PEOG. If PEOG agrees with the contractor’s determination, the contractor shall send a letter to the HHA notifying it that, as a result of §424.550(b)(1), the HHA must:

- Enroll as an initial applicant; and

- Obtain a new state survey or accreditation after it has submitted its initial enrollment application and the contractor has made a recommendation for approval to the State/RO.

As the new owner must enroll as a new provider, the contractor shall also deactivate the HHA’s billing privileges if the sale has already occurred. If the sale has not occurred, the contractor shall alert the HHA that it must submit a Form CMS-855A voluntary termination application.

Providers and/or their representatives (e.g., attorneys, consultants) shall contact their
local MAC with any questions concerning-- (1) The 36-month rule in general and (2) Whether the rule and/or its exceptions apply in a particular provider’s case.

F. Additional Notes

The contractor is advised of the following:

1. If the contractor learns of an HHA ownership change by means other than the submission of a CMS-855A application, it shall notify its PEOG BFL immediately.

2. If the contractor determines, under Step 3 above, that one of the §424.550(b)(2) exceptions applies, the ownership transfer still qualifies as a change in majority ownership for purposes of the 36-month clock. To illustrate, assume that an HHA initially enrolled in Medicare effective July 1, 2010. It undergoes a change in majority ownership effective February 1, 2012. The contractor determined that the transaction was exempt from §424.550(b)(1) because the HHA submitted full cost reports in the previous 2 years. On February 1, 2014, the HHA undergoes another change in majority ownership that did not qualify for an exception. The HHA must enroll as a new HHA under §424.550(b)(1) because the transaction occurred within 36 months of the HHA’s most recent change in majority ownership - even though the February 2012 change was exempt from §424.550(b)(1).

15.26.2 – Capitalization
(Rev. 362, Issued: 12-17-10, Effective: 01-01-11, Implementation: 01-01-11)

A. Background

Effective January 1, 2011, and pursuant to 42 CFR §489.28(a) and §424.510(d)(9), an HHA entering the Medicare program - including a new HHA as a result of a change of ownership if the change of ownership results in a new provider number being issued - must have available sufficient funds, which we term initial reserve operating funds, at (1) the time of application submission, and (2) all times during the enrollment process, to operate the HHA for the three-month period after Medicare billing privileges are conveyed by the Medicare contractor (exclusive of actual or projected accounts receivable from Medicare). This means that the HHA must also have available sufficient initial reserve operating funds during the 3-month period following the conveyance of Medicare billing privileges.

B. Points of Review

At a minimum, the contractor shall verify that the HHA meets the required amount of capitalization:

1. Prior to making its recommendation for approval;

2. After a recommendation for approval is made but before the RO review process is
completed;

3. After the RO review process is completed but before the contractor conveys Medicare billing privileges to the HHA; and

4. During the 3-month period after the contractor conveys Medicare billing privileges to the HHA.

The HHA must submit proof of capitalization within 30 calendar days of being requested to do so by the contractor. Should the HHA fail to furnish said proof and billing privileges have not yet been conveyed, the contractor shall deny the HHA’s application pursuant to §424.530(a)(8)(i) or (ii), as applicable. If billing privileges have been conveyed, the contractor shall revoke the HHA’s billing privileges per §424.535(a)(11).

Should the contractor believe it is necessary to verify the HHA’s level of capitalization more than once within a given period, e.g., more than once between the time a recommendation is made and the completion of the RO review process – the contractor shall seek approval from its DPSE liaison.

C. Determining Initial Reserve Operating Funds

Initial reserve operating funds are sufficient to meet the requirement of 42 CFR §489.28(a) if the total amount of such funds is equal to or greater than the product of the actual average cost per visit of 3 or more similarly situated HHAs in their first year of operation (selected by CMS for comparative purposes) multiplied by the number of visits projected by the HHA for its first 3 months of operation--or 22.5 percent (one fourth of 90 percent) of the average number of visits reported by the comparison HHAs-whichever is greater.

The contractor shall determine the amount of the initial reserve operating funds using reported cost and visit data from submitted cost reports for the first full year of operation from at least 3 HHAs that the contractor serves that are comparable to the HHA that is seeking to enter the Medicare program. Factors to be used in making this determination shall include:

- Geographic location and urban/rural status;
- Number of visits;
- Provider-based versus free-standing status; and
- Proprietary versus non-proprietary status.

The determination of the adequacy of the required initial reserve operating funds is based on the average cost per visit of the comparable HHAs, by dividing the sum of total reported costs of the HHAs in their first year of operation by the sum of the HHAs' total reported visits. The resulting average cost per visit is then multiplied by the projected visits for the first 3 months of operation of the HHA seeking to enter the
program, but not less than 90 percent of average visits for a 3-month period for the HHAs used in determining the average cost per visit.

D. Proof of Operating Funds

The HHA must provide CMS with adequate proof of the availability of initial reserve operating funds. Such proof, at a minimum, must include a copy of the statement(s) of the HHA's savings, checking, or other account(s) that contains the funds, accompanied by an attestation from an officer of the bank or other financial institution that the funds are in the account(s) and that the funds are immediately available to the HHA.

In some cases, an HHA may have all or part of the initial reserve operating funds in cash equivalents. For the purpose of this section, cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that present insignificant risk of changes in value. A cash equivalent that is not readily convertible to a known amount of cash as needed during the initial 3-month period for which the initial reserve operating funds are required does not qualify in meeting the initial reserve operating funds requirement. Examples of cash equivalents for the purpose of this section are Treasury bills, commercial paper, and money market funds.

As with funds in a checking, savings, or other account, the HHA also must be able to document the availability of any cash equivalents. CMS may later require the HHA to furnish another attestation from the financial institution that the funds remain available, or, if applicable, documentation from the HHA that any cash equivalents remain available, until a date when the HHA will have been surveyed by the State agency or by an approved accrediting organization. The officer of the HHA who will be certifying the accuracy of the information on the HHA's cost report must certify what portion of the required initial reserve operating funds constitutes non-borrowed funds, including funds invested in the business by the owner. That amount must be at least 50 percent of the required initial reserve operating funds. The remainder of the reserve operating funds may be secured through borrowing or line of credit from an unrelated lender.

E. Borrowed Funds

If borrowed funds are not in the same account(s) as the HHA's own non-borrowed funds, the HHA also must provide proof that the borrowed funds are available for use in operating the HHA, by providing, at a minimum, a copy of the statement(s) of the HHA's savings, checking, or other account(s) containing the borrowed funds, accompanied by an attestation from an officer of the bank or other financial institution that the funds are in the account(s) and are immediately available to the HHA. As with the HHA's own (that is, non-borrowed) funds, CMS later may require the HHA to establish the current availability of such borrowed funds, including furnishing an attestation from a financial institution or other source, as may be appropriate, and to establish that such funds will remain available until a date when the HHA will have been surveyed by the State agency or by an approved accrediting organization.
F. Line of Credit

If the HHA chooses to support the availability of a portion of the initial reserve operating funds with a line of credit, it must provide CMS with a letter of credit from the lender. CMS later may require the HHA to furnish an attestation from the lender that the HHA, upon its certification into the Medicare program, continues to be approved to borrow the amount specified in the letter of credit.

G. Documents

As part of ensuring the prospective HHA’s compliance with the capitalization requirements, the contractor shall obtain the following from the provider:

- A document outlining the provider’s projected budget – preferably, a full year’s budget broken out by month
- A document outlining the number of anticipated visits - preferably a full year broken out by month
- An attestation statement from an officer of the HHA defining the source of funds
- Copies of bank statements, certificates of deposits, etc., supporting that cash is available (must be current)
- Letter from officer of the bank attesting that funds are available
- If available, audited financial statements

The contractor shall also ensure that the capitalization information in section 12, of the CMS-855A is provided.

15.26.3 – Additional Home Health Agency (HHA) Review Activities
(Rev. 492, Issued: 12-06-13, Effective: 01-07-14, Implementation: 01-07-14)

As stated in section 15.26.2(B)(3) of this chapter, the contractor must verify that a newly enrolling HHA has the required amount of capitalization after the regional office (RO) review process is completed but before the contractor conveys Medicare billing privileges to the HHA. Accordingly, the HHA must submit proof of capitalization during this “post-RO review” period.

To confirm that the HHA is still in compliance with Medicare enrollment requirements prior to the issuance of a provider agreement, the contractor shall also – during the post-RO review period ensure that each entity and individual listed in sections 2, 5 and 6 of the HHA’s Form CMS-855A application is again reviewed against the Medicare Exclusion Database (MED) and the System for Award Management (SAM) (formerly
the General Services Administration (GSA) Access Management System). This activity applies: (1) regardless of whether the HHA is provider-based or freestanding, and (2) only to initial enrollments.

The capitalization and MED/SAM re-reviews described above shall be performed once the RO notifies the contractor via e-mail that the RO’s review is complete. (Per sections 15.4.1.6 and 15.19.2.2 of this chapter, a site visit will be performed after the contractor receives the tie-in/approval notice from the RO but before the contractor conveys Medicare billing privileges to the HHA.) If:

a. **The HHA is still in compliance** (e.g., no owners or managing employees are excluded, capitalization is met):

1. The contractor shall notify the RO of this via e-mail. The notice shall specify the date on which the contractor completed the aforementioned reviews.

2. The RO will: (1) issue a CMS Certification Number (CCN), (2) sign a provider agreement, and (3) send a tie-in notice or approval letter to the contractor. Per section 15.7.7.2.1 of chapter 15, the contractor shall complete its processing of the tie-in notice/approval letter within 45 calendar days of receipt (during which time a site visit will be performed).

b. **The HHA is not in compliance** (e.g., capitalization is not met):

1. The contractor shall deny the application in accordance with the instructions in this chapter and issue appeal rights. (The denial date shall be the date on which the contractor completed its follow-up capitalization and MED/SAM reviews.)

2. Notify the RO of the denial via e-mail. (PEOG, not the RO, will handle any CAP or appeal related to the contractor’s denial.)

While, therefore, the process of enrolling certified suppliers and certified providers other than HHAs remains the same (i.e., recommendation is made to State/RO, after which the RO sends tie-in notice to contractor, etc.), the HHA process contains additional steps – specifically, Steps 4 and 5, as outlined below:

1. Contractor processes incoming HHA application and either (1) denies application, or (2) recommends approval to State/RO.

2. State performs survey (if applicable) and makes recommendation to RO.

3. If State recommends approval and RO concurs, RO will – instead of issuing CCN, signing provider agreement and sending tie-in notice/approval letter to contractor at this point, as is done with other certified provider and certified supplier applications – notify contractor that its review is complete.
4. Upon receipt of RO’s notification, contractor will perform capitalization and MED/SAM reviews discussed in sections 15.26.2 and 15.26.3 of this chapter.

5. Once contractor completes its review, it will notify RO as to whether HHA is still in compliance with enrollment requirements.

15.27 – Deactivations and Revocations

If circumstances warrant, a fee-for-service contractor shall deactivate or revoke a provider or supplier’s Medicare billing privileges under certain circumstances. Deactivation or revocation of Medicare billing privileges will not impact a provider or supplier’s ability to submit claims to non-Medicare payers using their National Provider Identifier.

15.27.1 – Deactivations and Reactivations
(Rev. 474, Issued: 07-05-13, Effective: 10-08-13, Implementation: 10-08-13)

15.27.1.1 – Deactivations
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

A. Reasons

Unless indicated otherwise in this chapter or in another CMS instruction or directive, the contractor may - with prior approval from its CMS Provider Enrollment Business Function Lead (PEBFL) - deactivate a provider or supplier's Medicare billing privileges when:

- Per §424.540(a)(1), a provider or supplier does not submit any Medicare claims for 12 consecutive calendar months. The 12 month period begins on the 1st day of the 1st month without a claims submission through the last day of the 12th month without a submitted claim;

- Per §424.540(a)(2), a provider or supplier fails to report a change to the information supplied on the enrollment application within 90 calendar days of when the change occurred. Changes that must be reported include, but are not limited to, a change in practice location, a change of any managing employee, and a change in billing services; or

- Per § 424.540(a)(2), a provider or supplier fails to report a change in ownership or control within 30 calendar days.

The deactivation of Medicare billing privileges does not affect a supplier's participation agreement (CMS-460).

Should the contractor encounter one of the three deactivation situations described
above, it shall contact its PEBFL (via any means) and request approval of the deactivation. CMS’ provider enrollment staff will notify the contractor of its decision.

**B. Effective Dates**

The effective dates of a deactivation are as follows:

1. **Non-Billing** – The effective date is the date of the expiration of the applicable 12-month period.

2. **Failure to Report Changed Information** – The effective date is the date of the expiration of the application 30-day or 90-day reporting period. (See subsection A above.)

3. **The “36-Month Rule” for HHAs** – CMS’ provider enrollment staff will determine the effective date during its review of the case.

**C. Appeals Rights**

The Medicare contractor shall not afford a provider or supplier appeal rights when a deactivation determination is made.

**D. Miscellaneous Policies**

1. In situations where a provider with multiple PTANs is to be deactivated for non-billing, the contractor shall only deactivate the non-billing PTAN(s). If a provider with multiple PTANs is to be deactivated for any reason other than (1) non-billing or (2) failing to respond to a revalidation request, the contractor shall contact its PEBFL for guidance as to the specific PTANs that should be deactivated.

2. A “no payment” bill with a condition code 21 (billing for denial notice) is considered a Medicare claim for purposes of 42 CFR §424.540. A “demand bill” (as described in Pub. 100-08, Program Integrity Manual, chapter 3, section 5.4 (Exhibit 1)) is considered a Medicare claim for purposes of 42 CFR §424.540. Thus, for instance, if the provider only submitted “no payment” or “demand” bills over a 12-month period and furnished no claims for payment, the provider still submitted Medicare claims under §424.540. Deactivation for non-billing would therefore be inappropriate.

3. Consistent with prior CMS direction, Medicare claims administration contractors and the EDCs shall not run the following deactivation jobs:

   - Multi-Carrier System - Job names MV50, MV51, MV52 and MV53
   - Fiscal Intermediary Shared System – Job name FSSJ9220

CMS, of course, retains the discretion to deactivate a provider or supplier’s Medicare billing privileges if any of the situations described in 42 CFR
§424.540(a) are implicated.

4. Prior to deactivating an HHA’s billing privileges for any reason (including under the “36-month rule”), the contractor shall refer the matter to its PEBFL for review and approval.

15.27.1.2 – Reactivations
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

Sections 15.27.1.2.1 through 15.27.2.2 below discuss the requirements for reactivating a provider or supplier’s billing privileges.

If the contractor approves a provider or supplier’s reactivation application or reactivation certification package (RCP) for a Part B non-certified supplier, the reactivation effective date shall be the date the contractor received the application or RCP that was processed to completion. Also, upon reactivating billing privileges for a Part B non-certified supplier, the contractor shall issue a new Provider Transaction Access Number (PTAN).

With the exception of HHAs, reactivation of Medicare billing privileges does not require a new State survey or the establishment of a new provider agreement or participation agreement. Per 42 CFR § 424.540(b)(3)(i), an HHA must undergo a new State survey or obtain accreditation by an approved accreditation organization before its billing privileges can be reactivated. (See section 15.26.3 of this chapter for more information.)

15.27.1.2.1 – Reactivations - Deactivation for Reasons Other Than Non-Submission of a Claim
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

A. Background

To reactivate its billing privileges, a provider or supplier deactivated for failing to timely notify the contractor of a change of information (see section 15.27.1.1(A) above) must either:

1. Submit a complete Medicare enrollment application, or

2. Recertify that its enrollment information currently on file with Medicare is correct.

B. Certification Option

1. General Requirements

To utilize option (A)(2) above, the provider or supplier must submit to the contractor (a) a hard copy print-out of its PECOS Web enrollment data, (b) a hard copy Form
CMS-855 certification statement signed and dated by the enrolled individual practitioner or, as applicable, the provider or supplier’s authorized or delegated official, and (c) a letter certifying as to the data’s accuracy. The letter must:

(i) Be on the provider or supplier’s letterhead.

(ii) List the provider or supplier’s birth name or legal business name, doing business as name (if applicable), National Provider Identifier, and the Provider Transaction Access Number(s) (PTAN) in the provider or supplier’s enrollment record to be reactivated.

(iii) Must state that the provider is seeking to reactivate his/her/its billing privileges.

(iv) Be signed and dated by the enrolled individual practitioner or, as applicable, the provider or supplier’s authorized or delegated official (who must be the same person who signed the Form CMS-855 certification statement).

(v) Contain the following language:

For Individual Practitioners

“I, ______________, certify that all of the information contained in Medicare enrollment record (the record’s PAC ID number) is truthful and accurate. I understand that by this statement and by my signature below, I am bound by all of the terms and conditions of the attached, signed Form CMS-855 certification statement and agree to abide by them.”

For Authorized/Delegated Officials

“I, ______________, in my capacity as an authorized or delegated official of (provider/supplier), certify on behalf of (provider/supplier) that all of the information contained in (provider/supplier’s) Medicare enrollment record (the record’s PAC ID number) is truthful and accurate. I understand that by this statement and by my signature below, (provider/supplier) is bound by all of the terms and conditions of the attached, signed Form CMS-855 certification statement and agrees to abide by them.”

A separate Form CMS-855 certification statement and letter must be submitted with each PECOS enrollment record (and the PTANs in that record) the provider or supplier seeks to have reactivated. To illustrate, suppose a supplier has three separate enrollments it wants to reactivate. Each enrollment has its own PECOS enrollment record. Two of the records have one PTAN; the third record contains two PTANs. The supplier must submit three separate PECOS Web printouts, three separate certification statements, and three separate letters. (The letter pertaining to the third enrollment record must list both PTANs.) The certification statement and letter should be attached to the PECOS Web printout to which it pertains – meaning, per our example, that there would be three separate “reactivation certification packages” (RCPs). All RCPs must be submitted via mail. They cannot be faxed or e-mailed.
The provider or supplier cannot utilize the certification option and must submit a complete Form CMS-855 application if:

- There is any information in the provider or supplier’s PECOS Web enrollment record that is not correct.
- The provider or supplier cannot produce a printout of the applicable PECOS Web enrollment record (e.g., provider has no enrollment record in PECOS).
- The provider or supplier cannot otherwise produce a valid RCP.

2. Contractor Processing

Upon receipt of an RCP, the contractor:

- Shall ensure that it is complete and contains all of the elements identified in (B)(1) above. If the RCP is in any way deficient or incomplete, the contractor shall develop for the missing/incomplete information or documentation consistent with existing procedures (e.g., requesting the submission of a revised letter). Examples of a deficient RCP include, but are not limited to, the following: (1) the package is missing the printout, certification statement, or letter; (2) the letter does not contain the required language or contains verbiage that offsets the required language; (3) the certification statement or letter is signed by an individual who is not on record as an authorized or delegated official; (4) the certification statement or letter is undated; (5) the letter refers to the incorrect PAC ID number. The contractor may reject the RCP if the provider fails to furnish the requested material within 30 days of the request.

- Shall review all names listed in the provider’s enrollment record against the Medicare Exclusion Database (MED) and the System for Award Management (SAM).

- Shall ensure that the provider is still appropriately licensed and/or certified (e.g., the contractor can check State Web sites).

- Consistent with section 15.19.2.4 of this chapter, shall perform a site visit if the provider is in the moderate or high screening category.

- Reserves the right to request a full Form CMS-855 application if the contractor has reason to believe that any data in the provider’s enrollment record is inaccurate or outdated. However, it shall obtain the approval of its CMS Provider Enrollment Business Function Lead (PEBFL) before making this request.

The contractor need not prescreen the RCP.

If the contractor determines that (1) the RCP complies with the requirements of this section 15.27.1.2.1(B), (2) remains appropriately licensed and/or certified, (3) none of
the names in the provider or supplier’s enrollment record are excluded or debarred, (4) the provider is operational per the site visit, and (5) for HHAs, has undergone a new State survey or accreditation, the contractor may reactivate the provider’s Medicare billing privileges in accordance with existing procedures. If the contractor determines that any of these criteria are not met, it shall deny the reactivation application in accordance with existing procedures. (As stated earlier, though, rejection is appropriate if the provider does not adequately respond to the provider’s developmental request.) If the contractor believes that a denial ground other than the aforementioned exists, it shall contact its CMS Provider Enrollment Business Function Lead (PEBFL) for guidance.

15.27.1.2.2 – Reactivations - Deactivation for Non-Submission of a Claim
(Rev. 561, Issued: 12-12-14, Effective: 03-18-15, Implementation: 03-18-15)

To reactivate its billing privileges, a provider or supplier deactivated for non-billing must recertify that its enrollment information currently on file with Medicare is correct. This section 15.27.1.2.2 discusses this requirement.

A. All of Provider’s Data in Enrollment Record Is Correct

1. General Requirements

If all of the data in the provider or supplier’s enrollment record is correct, the provider must submit to the contractor: (a) a hard copy print-out of its PECOS Web enrollment data, (b) a hard copy Form CMS-855 certification statement signed and dated by the enrolled individual practitioner or, as applicable, the provider or supplier’s authorized or delegated official, (c) the claim data described in section 15.27.1.2.3(B) of this chapter, and (d) a letter certifying as to the data’s accuracy. The letter must:

(i) Be on the provider or supplier’s letterhead.

(ii) List the provider or supplier’s birth name or legal business name, doing business as name (if applicable), National Provider Identifier, and the Provider Transaction Access Number(s) (PTAN) in the provider or supplier’s enrollment record to be reactivated.

(iii) Must state that the provider is seeking to reactivate his/her/its billing privileges.

(iv) Be signed and dated by the enrolled individual practitioner or, as applicable, the provider or supplier’s authorized or delegated official (who must be the same person who signed the Form CMS-855 certification statement).

(v) Contain the following language:

For Individual Practitioners

“I, ________________, certify that all of the information contained in Medicare
enrollment record (the record’s PAC ID number) is truthful and accurate. I understand that by this statement and by my signature below, I am bound by all of the terms and conditions of the attached, signed Form CMS-855 certification statement and agree to abide by them.”

For Authorized/Delegated Officials

“I, ________________, in my capacity as an authorized or delegated official of (Provider/Supplier), certify on behalf of (Provider/Supplier) that all of the information contained in (Provider/Supplier’s) Medicare enrollment record (the record’s PAC ID number) is truthful and accurate. I understand that by this statement and by my signature below, (Provider/Supplier) is bound by all of the terms and conditions of the attached, signed Form CMS-855 certification statement and agrees to abide by them.”

As explained in section 15.27.1.2.2(A), a separate Form CMS-855 certification statement and letter must be submitted with each PECOS enrollment record the provider or supplier seeks to have reactivated. The certification statement and letter should be attached to the PECOS Web printout to which it applies. All such “reactivation certification packages” (RCPs) must be submitted via mail. They cannot be faxed or e-mailed.

2. Contractor Processing

Upon receipt of an RCP, the contractor:

- Shall ensure that it is complete and contains all of the elements identified in (A)(1) above.

If the RCP is in any way deficient or incomplete, the contractor shall develop for the missing/incomplete information or documentation consistent with existing procedures (e.g., requesting the submission of a revised letter). Examples of a deficient RCP include, but are not limited to, the following: (1) the package is missing the printout, certification statement, or letter; (2) the letter does not contain the required language or contains verbiage that offsets the required language; (3) the certification statement or letter is signed by an individual who is not on record as an authorized or delegated official; (4) the certification statement or letter is undated; (5) the letter refers to the incorrect PAC ID number. The contractor may reject the RCP if the provider fails to furnish the requested material within 30 days of the request.

- Shall review all names listed in the provider’s enrollment record against the Medicare Exclusion Database (MED) and the System for Award Management (SAM).

- Shall ensure that the provider is still appropriately licensed and/or certified (e.g., the contractor can check State Web sites).
• Consistent with section 15.19.2.4 of this chapter, shall perform a site visit if the provider is in the moderate or high screening category.

The contractor need not prescreen the RCP.

If the contractor determines that (1) the RCP complies with the requirements of this section 15.27.1.2.2(A), (2) remains appropriately licensed and/or certified, (3) none of the names in the provider or supplier’s enrollment record are excluded or debarred, (4) the provider (if in the moderate or high screening category) is operational per the site visit, and (5) for HHAs, the provider has undergone a new State survey or accreditation, the contractor may reactivate the provider’s Medicare billing privileges in accordance with existing procedures. If the contractor determines that any of these criteria are not met, it shall deny the reactivation application in accordance with existing procedures. (Rejection is appropriate, however, if the provider does not adequately respond to the contractor’s developmental request.) If the contractor believes that a denial ground other than the aforementioned exists, it shall contact its CMS Provider Enrollment Business Function Lead (PEBFL) for guidance.

B. Some of Provider’s Data in Enrollment Record Is Incorrect

1. General Requirements

If any data in the provider or supplier’s enrollment record is incorrect, the provider must submit to the contractor: (a) a hard copy print-out of its PECOS Web enrollment data, (b) applicable hard-copy page(s) of the Form CMS-855 containing the corrected information (e.g., new section 8 reporting a change to the billing company address), (c) a certification statement signed and dated by the enrolled individual practitioner or, as applicable, the provider or supplier’s authorized or delegated official, (d) the claim data described in section 15.27.1.2.3(B) of this chapter, and (e) a letter certifying as to the rest of the enrollment data’s accuracy. The letter must:

(i) Be on the provider or supplier’s letterhead.

(ii) List the provider or supplier’s birth name or legal business name, doing business as name (if applicable), NPI, and PTAN(s).

(iii) Must state that the provider is seeking to reactivate his/her/its billing privileges.

(iv) Be signed and dated by the enrolled individual practitioner or, as applicable, the provider or supplier’s authorized or delegated official (who must be the same person who signed the Form CMS-855 certification statement).

(v) Contain the following language:

For Individual Practitioners
“I, _______________, certify that - with the exception of (list the data elements that are currently incorrect and are being updated via the submitted Form CMS-855 pages) - all of the information currently contained in Medicare enrollment record (the record’s PAC ID number) is truthful and accurate. I understand that by this statement and by my signature below, I am bound by all of the terms and conditions of the attached, signed Form CMS-855 certification statement and agree to abide by them.”

For Authorized/Delegated Officials

“I, _______________, in my capacity as an authorized or delegated official of (provider/supplier), certify on behalf of (provider/supplier) that - with the exception of (list the data elements that are currently incorrect and are being updated via the submitted Form CMS-855 pages) - all of the information contained in (provider/supplier’s) Medicare enrollment record (the record’s PAC ID number) is truthful and accurate. I understand that by this statement and by my signature below, (provider/supplier) is bound by all of the terms and conditions of the attached, signed Form CMS-855 certification statement and agrees to abide by them.”

As explained in section 15.27.1.2.2(B), a separate Form CMS-855 certification statement and letter must be submitted with each PECOS enrollment record the provider or supplier seeks to have reactivated. The certification statement and letter should be attached to the PECOS Web printout to which it applies. All RCPs must be submitted via mail. They cannot be faxed or e-mailed.

2. Contractor Processing

Upon receipt of an RCP, the contractor:

- Shall ensure that it is complete and contains all of the elements identified in (B)(1) above.

If the RCP is in any way deficient or incomplete, the contractor shall develop for the missing/incomplete information or documentation consistent with existing procedures (e.g., requesting the submission of a revised letter). Examples of a deficient RCP include, but are not limited to, the following: (1) the package is missing the printout, certification statement, or letter; (2) the letter does not contain the required language or contains verbiage that offsets the required language; (3) the letter does not identify the information in the enrollment record that is incorrect; (4) the certification statement or letter is signed by an individual who is not on record as an authorized or delegated official; (5) the certification statement or letter is undated; (6) the letter refers to the incorrect PAC ID number. The contractor may reject the RCP if the provider fails to furnish the requested material within 30 days of the request.
• Shall review all names listed in the provider’s enrollment record against the MED and the SAM.

• Shall ensure that the provider is still appropriately licensed and/or certified (e.g., the contractor can check State Web sites).

• Consistent with section 15.19.2.4 of this chapter, shall perform a site visit if the provider is in the moderate or high screening category.

• Process the changed information in accordance with the instructions in this chapter. The entire RCP transaction (including the changed data) shall, however, be processed as a revalidation.

The contractor need not prescreen the RCP.

If the contractor determines that (1) the RCP complies with the requirements of this section 15.27.1.2.2(B), (2) remains appropriately licensed and/or certified, (3) none of the names in the provider or supplier’s enrollment record are excluded or debarred, (4) the provider (if in the moderate or high screening category) is operational per the site visit, (5) all of the changed information can be processed to approval, and (6) for HHAs, the provider has undergone a new State survey or accreditation, the contractor may reactivate the provider’s Medicare billing privileges in accordance with existing procedures. If the contractor determines that any of these criteria are not met, it shall deny the reactivation application in accordance with existing procedures. (Rejection is appropriate, however, if the provider does not adequately respond to the contractor’s developmental request.) If the contractor believes that a denial ground other than the aforementioned exists, it shall contact its (PEBFL) for guidance.

C. PECOS Web Printout

If the provider or supplier cannot produce a printout of the applicable PECOS Web enrollment record (e.g., provider has no enrollment record in PECOS) or cannot otherwise submit a valid RCP, it must submit a complete Form CMS-855 application in order to reactivate its Medicare billing privileges.

15.27.1.2.3 – Reactivations – Miscellaneous Policies
(Rev. 474, Issued: 07-05-13, Effective: 10-08-13, Implementation: 10-08-13)

A. Full Enrollment Applications

1. For providers that were deactivated for non-billing, the provider may submit a complete Form CMS-855 enrollment application in lieu of an RCP. The application may be submitted via paper or PECOS Web.

2. For Form CMS-855 reactivation applications, the timeliness requirements in sections 15.6.1 et seq., pertaining to initial enrollment applications apply. The
contractor shall – unless a CMS instruction directs otherwise - validate all of the information on the application just as it would with an initial application.

3. Unless stated or indicated otherwise:

- The term “Form CMS-855 revalidations” as used in this chapter 15 only includes Form CMS-855 revalidation applications. It does not include RCPs.

- The term “revalidation” as used in this chapter 15 includes Form CMS-855 revalidation applications and RCPs.

B. Claims

For RCP submissions, the provider must also furnish a copy of a claim that it plans to submit upon the reactivation of its billing privileges. Alternatively, the provider may include in its RCP letter the following information regarding a beneficiary to whom the provider has furnished services and for whom it will submit a claim: (1) beneficiary name, (2) health insurance claim number (HICN), (3) date of service, and (4) phone number.

C. Development

If the initial RCP is incomplete or inadequate and the contractor initiates development procedures, the following principles apply:

- The provider may submit the requested documentation to the contractor via fax.

- If there are deficiencies in the RCP letter, the provider must submit (1) a new letter, and (2) a newly-signed and dated certification statement. The provider cannot mark-up the previous letter and resubmit it.

15.27.2 – Revocations
(Rev. 659, Issued: 06-24-16, Effective: 07-26-16, Implementation: 07-26-16)

A. Revocation Reasons

(Except as described in section 15.27.2(B)(2) below, the contractor shall not issue any revocation or revocation letter without prior approval from CMS’ Provider Enrollment & Oversight Group (PEOG).)

When drafting a revocation letter (which, except as described in section 15.27.2(B)(2) below, must be sent to PEOG via the MACRevocationRequests@cms.hhs.gov mailbox for approval), the contractor shall insert the appropriate regulatory basis (e.g., 42 CFR §424.535(a)(1)) into the letter. The contractor shall not use provisions from this chapter as the basis for revocation.
1. **Revocation Reason 1** (42 CFR §424.535(a)(1)) – Not in Compliance with Medicare Requirements

The provider or supplier is determined not to be in compliance with the enrollment requirements in subpart P (of Part 424) or in the enrollment application applicable to its provider or supplier type, and has not submitted a plan of corrective action as outlined in 42 CFR Part 488. The provider or supplier may also be determined not to be in compliance if it has failed to pay any user fees as assessed under part 488 of this chapter.

Noncompliance includes, but is not limited to the provider or supplier no longer having a physical business address or mobile unit where services can be rendered and/or does not have a place where patient records are stored to determine the amounts due such provider or other person and/or the provider or supplier no longer meets or maintains general enrollment requirements. Noncompliance also includes situations when the provider or supplier has failed to pay any user fees as assessed under 42 CFR Part 488.

Other situations in which §424.535(a)(1) may be used as a revocation reason include, but are not limited to, the following:

a. The provider or supplier does not have a physical business address or mobile unit where services can be rendered.

b. The provider or supplier does not have a place where patient records are stored to determine the amounts due such provider or other person.

c. The provider or supplier is not appropriately licensed.

d. The provider or supplier is not authorized by the federal/state/local government to perform the services that it intends to render.

e. The provider or supplier does not meet CMS regulatory requirements for the specialty that it is enrolled as.

f. The provider or supplier does not have a valid social security number (SSN) or employer identification number (EIN) for itself, an owner, partner, managing organization/employee, officer, director, medical director, and/or authorized or delegated official.

g. The provider or supplier fails to furnish complete and accurate information and all supporting documentation within 60 calendar days of the provider or supplier’s notification from CMS or its contractor to submit an enrollment application and supporting documentation, or resubmit and certify to the accuracy of its enrollment information. (This revocation reason will not be used in these cases if CMS has explicitly instructed the contractor to use deactivation reason §424.540(a)(3) in lieu
h. The provider or supplier does not otherwise meet general enrollment requirements.

i. The provider or supplier has its provider or supplier agreement involuntarily terminated by the CMS regional office (RO) (as evidenced by a tie-in/tie-out notice, CMS-2007, or other notice from the RO/state).

With respect to (e) above – and, as applicable, (c) and (d) - the contractor’s revocation letter shall cite the appropriate statutory and/or regulatory citation(s) containing the specific licensure/certification/authorization requirement(s) for that provider or supplier type. For a listing of some of these statutes and regulations, refer to section 15.4 et seq. of this chapter.

**NOTE:** The contractor must identify in its revocation letter the exact provision within said statute(s)/regulation(s) that the provider/supplier is not in compliance with.


The provider or supplier, or any owner, managing employee, authorized or delegated official, medical director, supervising physician, or other health care personnel of the provider or supplier is:

(i) Excluded from the Medicare, Medicaid, and any other federal health care program, as defined in 42 CFR §1001.2, in accordance with section 1128, 1128A, 1156, 1842, 1862, 1867 or 1892 of the Act.

(ii) Is debarred, suspended, or otherwise excluded from participating in any other federal procurement or nonprocurement program or activity in accordance with the FASA implementing regulations and the Department of Health and Human Services nonprocurement common rule at 45 CFR part 76.

If an excluded party is found, the contractor shall notify its CMS PEOG Business Function Lead (PEOG BFL) immediately. PEOG will notify the Contracting Officer’s Representative (COR) for the appropriate Zone Program Integrity Contractor. The COR will, in turn, contact the Office of Inspector General's office with the findings for further investigation.


The provider, supplier, or any owner or managing employee of the provider or supplier was, within the preceding 10 years, convicted (as that term is defined in 42 CFR §1001.2) of a federal or state felony offense that CMS determines to be detrimental to the best interests of the Medicare program and its beneficiaries. Offenses include, but are not limited in scope and severity to:
(A) Felony crimes against persons, such as murder, rape, assault, and other similar crimes for which the individual was convicted, including guilty pleas and adjudicated pretrial diversions.

(B) Financial crimes, such as extortion, embezzlement, income tax evasion, insurance fraud and other similar crimes for which the individual was convicted, including guilty pleas and adjudicated pretrial diversions.

(C) Any felony that placed the Medicare program or its beneficiaries at immediate risk, such as a malpractice suit that results in a conviction of criminal neglect or misconduct.

(D) Any felonies that would result in mandatory exclusion under section 1128(a) of the Act.

(ii) Revocations based on felony convictions are for a period to be determined by the Secretary, but not less than 10 years from the date of conviction if the individual has been convicted on one previous occasion for one or more offenses.

An enrollment bar issued pursuant to 42 CFR §424.535(c) does not preclude CMS or its contractors from denying re-enrollment to a provider or supplier that was convicted of a felony within the preceding 10-year period or that otherwise does not meet all criteria necessary to enroll in Medicare.

4. Revocation Reason 4 (42 CFR §424.535(a)(4)) – False or Misleading Information on Application

The provider or supplier certified as “true” misleading or false information on the enrollment application to be enrolled or maintain enrollment in the Medicare program. (Offenders may be subject to either fines or imprisonment, or both, in accordance with current laws and regulations.)

5. Revocation Reason 5 (42 CFR §424.535(a)(5)) - On-Site Review/Other Reliable Evidence that Requirements Not Met

Upon on-site review or other reliable evidence, CMS determines that the provider or supplier:

(i) Is not operational to furnish Medicare-covered items or services; or
(ii) Otherwise fails to satisfy any Medicare enrollment requirement.

6. Revocation Reason 6 (§424.535(a)(6)) - Hardship Exception Denial and Fee Not Paid

(i) (A) An institutional provider does not submit an application fee or hardship
exception request that meets the requirements set forth in §424.514 with the Medicare revalidation application; or

(B) The hardship exception is not granted and the institutional provider does not submit the applicable application form or application fee within 30 days of being notified that the hardship exception request was denied.

(ii) (A) Either of the following occurs:

(1) CMS is not able to deposit the full application amount into a government-owned account; or

(2) The funds are not able to be credited to the United States Treasury;

(B) The provider or supplier lacks sufficient funds in the account at the banking institution whose name is imprinted on the check or other banking instrument to pay the application fee; or

(C) There is any other reason why CMS or its Medicare contractor is unable to deposit the application fee into a government-owned account.

7. **Revocation Reason 7 (42 CFR §424.535(a)(7)) – Misuse of Billing Number**

The provider or supplier knowingly sells to or allows another individual or entity to use its billing number. This does not include those providers or suppliers that enter into a valid reassignment of benefits as specified in 42 CFR §424.80 or a change of ownership as outlined in 42 CFR §489.18.

8. **Revocation Reason 8 (42 CFR §424.535(a)(8)) – Abuse of Billing Privileges**

Abuse of billing privileges includes either of the following:

(i) The provider or supplier submits a claim or claims for services that could not have been furnished to a specific individual on the date of service. These instances include but are not limited to the following situations:

   (A) Where the beneficiary is deceased.

   (B) The directing physician or beneficiary is not in the state or country when services were furnished.

   (C) When the equipment necessary for testing is not present where the testing is said to have occurred.

   (ii) CMS determines that the provider or supplier has a pattern or practice of
submitting claims that fail to meet Medicare requirements. In making this
determination, CMS considers, as appropriate or applicable, the following factors:

   (A) The percentage of submitted claims that were denied.

   (B) The reason(s) for the claim denials.

   (C) Whether the provider or supplier has any history of final adverse actions (as that
term is defined in §424.502) and the nature of any such actions.

   (D) The length of time over which the pattern has continued.

   (E) How long the provider or supplier has been enrolled in Medicare.

   (F) Any other information regarding the provider or supplier's specific
circumstances that CMS deems relevant to its determination as to whether the provider
or supplier has or has not engaged in the pattern or practice described in this paragraph.

(NOTE: With respect to (a)(8), PEOG -- rather than the contractor -- will (1) make all
determinations regarding whether a provider or supplier has a pattern or practice of
submitting non-compliant claims; (2) consider the relevant factors; (3) accumulate all
information needed to make such determinations; and (4) prepare and send all
revocation letters.)


The physician, non-physician practitioner, physician organization or non-physician
organization failed to comply with the reporting requirements specified in 42 CFR
§424.516(d)(1)(ii) or (iii), which pertain to the reporting of changes in adverse actions
and practice locations, respectively, within 30 days of the reportable event.

With respect to Revocation Reason 9:

   • This revocation reason only applies to physicians, physician assistants, nurse
   practitioners, clinical nurse specialists, certified registered nurse anesthetists, certified
   nurse-midwives; clinical social workers; clinical psychologists; registered dietitians or
   nutrition professionals, and organizations (e.g., group practices) consisting of any of the
categories of individuals identified in this paragraph.

   • If the individual or organization reports a change in practice location more than
   30 days after the effective date of the change, the contractor shall not pursue a
   revocation on this basis. However, if the contractor independently determines –
   through an on-site inspection under 42 CFR §424.535(a)(5)(ii) or via another
   verification process - that the individual’s or organization’s address has changed and the
   supplier has not notified the contractor of this within the aforementioned 30-day
timeframe, the contractor may pursue a revocation (e.g., seeking PEOG’s approval to revoke).

10. **Revocation Reason 10 (42 CFR §424.535(a)(10)) – Non-Compliance with Documentation Requirements**

   The provider or supplier did not comply with the documentation requirements specified in 42 CFR §424.516(f).


   A home health agency (HHA) fails to furnish - within 30 days of a CMS or Medicare contractor request - supporting documentation verifying that the HHA meets the initial reserve operating funds requirement found in 42 CFR §489.28(a).


   The provider or supplier’s Medicaid billing privileges are terminated or revoked by a State Medicaid Agency.

   (Medicare may not terminate a provider or supplier’s Medicare billing privileges unless and until the provider or supplier has exhausted all applicable Medicaid appeal rights).

13. **Revocation Reason 13 (42 CFR §424.535(a)(13)) - DEA Certificate/State Prescribing Authority Suspension or Revocation**

   (i) The physician or eligible professional's Drug Enforcement Administration (DEA) Certificate of Registration is suspended or revoked; or

   (ii) The applicable licensing or administrative body for any state in which the physician or eligible professional practices suspends or revokes the physician or eligible professional's ability to prescribe drugs.

14. **Revocation Reason 14 (42 CFR §424.535(a)(14)) - CMS determines that the physician or eligible professional has a pattern or practice of prescribing Part D drugs that falls into one of the following categories:**

   (i) The pattern or practice is abusive or represents a threat to the health and safety of Medicare beneficiaries or both.

   (ii) The pattern or practice of prescribing fails to meet Medicare requirements.

**B. Prior PEOG Approval**
1. Prior **PEOG** Approval Necessary

Except as described in section 15.27.2(B)(2) below, the contractor shall obtain approval of both the revocation and the revocation letter from **PEOG** via the MACRevocationRequests@cms.hhs.gov mailbox prior to sending the revocation letter. During its review, **PEOG** will also determine (1) the extent to which the revoked provider’s or supplier’s other locations are affected by the revocation, (2) the geographic application of the reenrollment bar, and (3) the effective date of the revocation. **PEOG** will notify the contractor of its determinations and instruct the contractor as to how to proceed.

2. Prior **PEOG** Approval Unnecessary

The contractor need not obtain prior **PEOG** approval of the revocation and the revocation letter if the revocation involves any of the following situations:

- Situation (a), (c), (d), (e), (g), (h), or (i) under Revocation Reason 1 above §424.535(a)(6) or (a)(11)

C. Effective Date of Revocations

Per 42 CFR §424.535(g), a revocation becomes effective 30 days after CMS or the CMS contractor mails notice of its determination to the provider or supplier. However, a revocation based on a: (1) Federal exclusion or debarment; (2) felony conviction as described in 42 CFR §424.535(a)(3); (3) license suspension or revocation; or (4) determination that the provider or supplier is no longer operational, is effective with the date of the exclusion, debarment, felony conviction, license suspension or revocation, or the date that CMS or the contractor determined that the provider or supplier is no longer operational.

As stated in 42 CFR §424.535(d), if the revocation was due to adverse activity (sanction, exclusion, debt, felony) of an owner, managing employee, an authorized or delegated official, medical director, supervising physician, or other health care personnel of the provider or supplier furnishing Medicare services and/or supplies, the revocation may be reversed (with prior **PEOG** approval) if the provider or supplier submits proof that it has terminated its business relationship with that individual or organization within 30 days of the revocation notification. The contractor, however:

- Need not solicit or ask for such proof in its revocation letter. It is up to the provider/supplier to furnish this data on its own volition.

- Has the discretion to determine whether sufficient “proof” exists.

D. Re-enrollment Bar
1. **Background**

As stated in 42 CFR §424.535(c), if a provider, supplier, owner, or managing employee has their billing privileges revoked, they are barred from participating in the Medicare program from the effective date of the revocation until the end of the re-enrollment bar. The re-enrollment bar begins 30 days after CMS or its contractor mails notice of the revocation and lasts a minimum of 1 year, but not greater than 3 years, depending on the severity of the basis for revocation. (Felony convictions, however, always entail a 3-year bar.) Per §424.535(c), the reenrollment bar does not apply if the revocation (1) is based on §424.535(a)(1), and (2) stems from a provider or supplier’s failure to respond timely to a revalidation request or other request for information. If both of these conditions are met, no reenrollment bar will be applied.

The contractor shall update the Provider Enrollment, Chain and Ownership System (PECOS) to reflect that the individual is prohibited from participating in Medicare for the applicable 1, 2, or 3-year period.

**(NOTE:** Reenrollment bars apply only to revocations, not to denials. The contractor shall not impose a reenrollment bar following a denial of an application.)

2. **Establishment of Length**

The following serves merely as general, non-binding guidance regarding the establishment of the length of reenrollment bars. It is crucial to note that every situation must and will be judged on its own merits, facts, and circumstances, and it should not be assumed that a particular timeframe will always be applied to a specific revocation reason in all cases. CMS retains the discretion to apply a reenrollment bar period that is different from that indicated below (though which in no case will be greater than 3 years).

- §424.535(a)(1) (Noncompliance) -- For licensure issues, 1 year if no billing after loss of license; 3 years if billing after loss of license; 3 years for violation of a Medicare policy (using certification statement)
- §424.535(a)(2) (Provider or Supplier Conduct) – 3 years
- §424.535(a)(3) (Felonies) – 3 years
- §424.535(a)(4) (False or Misleading Information) – 3 years
- §424.535(a)(5) (Onsite Review) – 2 years
- §424.535(a)(6) (Grounds Related to Screening) – 1 year
- §424.535(a)(7) (Misuse of Billing Number) – 3 years
• §424.535(a)(8) (Abuse of Billing) – 3 years

• §424.535(a)(9) (Failure to Report) - 1 year if licensure, practice location, revocation; 3 years if felony or exclusion

• §424.535(a)(10) (Failure to Provide CMS Access) – 1 year

• §424.535(a)(11) (Initial Reserve Operating Funds) – 1 year

• §424.535(a)(12) (Medicaid Termination) – 2 years

• §424.535(a)(13) (Prescribing Authority) – 2 years

• § 424.535(a)(14) (Improper Prescribing Practices) – 3 years

3. Applicability of Bar

In general, and unless stated otherwise above, any re-enrollment bar at a minimum applies to (1) all practice locations under the provider’s PECOS or legacy enrollment record, (2) any effort to re-establish any of these locations (i) at a different address, and/or (ii) under a different business or legal identity, structure, or TIN. If the contractor receives an application and is unsure as to whether a revoked provider is attempting to re-establish a revoked location, it shall contact its PEOG BFL for guidance. Instances where the provider might be attempting to do so include - but are not limited to – the following:

• John Smith was the sole owner of Group Practice X, a sole proprietorship. Six months after X was revoked under §424.535(a)(9), the contractor receives an initial application from Group Practice Medicine, LLC, of which John Smith is the sole owner/member.

• Jack Jones and Stan Smith were 50 percent owners of World Home Health Agency, a partnership. One year after World Home Health was revoked under §424.535(a)(7), the contractor receives an initial application from XYZ Home Health, a corporation owned by Jack Jones and his wife, Jane Jones.

• John Smith was the sole owner of XYZ Medical Supplies, Inc. XYZ’s lone location was at 1 Jones Street. XYZ’s billing privileges were revoked after it was determined that the site was non-operational. Nine months later, the contractor receives an initial application from Johnson Supplies, LLC. The entity has two locations in the same city in which 1 Jones Street is located, and John Smith is listed as a 75 percent owner.

E. Submission of Claims for Services Furnished Before Revocation

Per 42 CFR §424.535(h), a revoked provider or supplier (other than a home health
agency (HHA)) must, within 60 calendar days after the effective date of revocation, submit all claims for items and services furnished before the date of the revocation letter. A revoked HHA must submit all claims for items and services within 60 days after the later of: (1) the effective date of the revocation, or (2) the date that the HHA's last payable episode ends.

Nothing in 42 CFR §424.535(h) impacts the requirements of §424.44 regarding the timely filing of claims.

F. Timeframe for Processing of Revocation Actions

If the contractor receives approval from PEOG (or receives an unrelated request from PEOG) to revoke a provider or supplier’s billing privileges, the contractor shall complete all steps associated with the revocation no later than 5 business days from the date it received PEOG’s approval/request. The contractor shall notify PEOG that it has completed all of the revocation steps no later than 3 business days after these steps have been completed.

G. Provider Enrollment Appeals Process

For more information regarding the provider enrollment appeals process, see section 15.25 of this chapter.

H. Summary

If the contractor determines that a provider’s billing privileges should be revoked, it shall undertake the activities described in this section, which include, but are not limited to:

- Preparing a draft revocation letter;

- E-mailing the letter to PEOG via the "ProviderEnrollmentRevocations@cms.hhs.gov" mailbox with additional pertinent information regarding the basis for revocation;

- Receiving PEOG’s determinations and abiding by PEOG’s instructions regarding the case;

- If PEOG authorizes the revocation:
  - Revoking the provider’s billing privileges back to the appropriate date;
  - Establishing the applicable reenrollment bar;
  - Updating PECOS to show the length of the reenrollment bar;
• Assessing an overpayment, as applicable; and

• Affording appeal rights.

I. Reporting Revocations/Terminations to the State Medicaid Agencies and Children’s Health Program (CHIP)

Section 6401(b)(2) of the Patient Protection and Affordable Health Care Act (i.e., the Affordable Care Act), enacted on March 23, 2010, requires that the Administrator of CMS establish a process for making available to each State Medicaid Plan or Child Health Plan the name, National Provider Identifier, and other identifying information for any provider of medical or other items or services or supplier who have their Medicare billing privileges revoked or denied.

To accomplish this task, CMS will provide a monthly revoked and denied provider list to all contractors via the Share Point Ensemble site. The contractor shall access this list on the 5th day of each month through the Share Point Ensemble site. The contractor shall review the monthly revoked and denied provider list for the names of Medicare providers revoked and denied in PECOS. The contractor shall document any appeals actions a provider/supplier may have submitted subsequent to the provider or supplier’s revocation or denial.

The contractor shall update the last three columns on the tab named “Filtered Revocations” of the spreadsheet for every provider/supplier revocation or denial action taken. The contractor shall not make any other modifications to the format of this form or its contents. The following terms are the only authorized entries to be made on the report:

Appeal Submitted:
Yes - (definition: an appeal has been received. This includes either a CAP or Reconsideration request or notification of an ALJ or DAB action.)
No - (definition: no appeal of any type has been submitted)

Appeal Type:
CAP
Reconsideration
ALJ
DAB

Appeal Status:
Under Review
Revocation Upheld
Revocation Overturned
Denial Upheld
Denial Overturned
CAP accepted
If a contractor is reporting that no appeal has been submitted, the appeal type and status columns will be noted as N/A.

If an appeal action has been submitted to PEOG for certified providers or suppliers, contractors shall access the PEOG appeals log via the SharePoint Ensemble site to determine the appeal status to include on the spreadsheet.

Contractors shall submit their completed reports by the 20th of each month to its designated PEBFL.

J. Special Instructions Regarding Revocations of Certified Providers and Certified Suppliers

The contractor need not obtain prior approval from the state/RO prior to revoking a certified provider or certified supplier’s billing privileges. When revoking the provider/supplier, however, the contractor shall:

- E-mail a copy of the revocation letter to the applicable RO’s Division of Survey & Certification corporate mailbox. (The RO will notify the state of the revocation.)
- After determining the effective date of the revocation, end-date the entity’s enrollment record in the Provider Enrollment, Chain and Ownership System (PECOS) in the same manner as it would upon receipt of a tie-out notice from the RO.

Afford the appropriate appeal rights per section 25 of this chapter.

K. Overpayments Based Upon Revocations

In situations where a revocation is made with a prospective (i.e., 30 days from the date of CMS or the contractor’s mailing of the revocation notification letter to the provider) effective date, the contractor’s shall assess an overpayment back to a date when Medicare claims are determined to be ineligible for payment. This date may, but will not always, match the inactive date of the enrollment that is reflected in PECOS and MCS or FISS. The starting date upon which claims are not eligible for reimbursement is what the contractor’s shall use to assess an overpayment, not the date the enrollment is inactive according to PECOS and MCS or FISS.

The contractor shall initiate procedures to collect overpayment after the appeal timeframe has expired or after a final appeal determination has been made by the contractor. In addition, the contractor shall initiate procedures to collect overpayment after the claim filing deadline has expired. The contractor shall initiate procedures to collect overpayments within 10 days of the later of the described
• In accordance with 42 CFR §424.565, if a physician, non-physician practitioner, physician organization or non-physician practitioner organization fails to comply with the reporting requirements specified in 42 CFR §424.516(d)(1)(ii), the contractor may assess an overpayment back to the date of the final adverse action, though said date shall be no earlier than January 1, 2009.

15.27.3 - Other Identified Revocations
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

A. Zone Program Integrity Contractor (ZPIC) Identified Revocations

1. General Procedures

If, through its investigations, the ZPIC believes that a particular provider’s or supplier’s Medicare billing privileges should be revoked, it shall develop a case file - including the reason(s) for revocation - and submit the file and all supporting documentation to the Provider Enrollment & Oversight Group (PEOG). The ZPIC shall provide PEOG with the information described in (2) below.

PEOG will review the case file and:

• Return the case file to ZPIC for additional development, or
• Consider approving the ZPIC’s recommendation for revocation.

If PEOG approves the revocation recommendation, PEOG will: (1) ensure that the applicable Medicare Administrative Contractor (MAC) is instructed to revoke the provider’s/supplier’s Medicare enrollment, and (2) notify the applicable contracting officer’s representative (COR) in the Division of Medicare Integrity Contractor Operations of the action taken.

If the MAC receives a direct request from a ZPIC to revoke a provider’s or supplier’s Medicare enrollment, it shall refer the matter to its PEOG Business Function Lead (PEOG BFL) if it is unsure whether the ZPIC received prior PEOG approval for the revocation.

2. Revocation Request Data

The revocation request shall contain the following information:

• Provider/supplier name; practice location(s); type (e.g., DMEPOS supplier); Provider Transaction Access Number; National Provider Identifier; applicable Medicare Administrative Contractor
• Name(s), e-mail address(es), and phone number(s) of investigators

• Tracking number

• Provider/supplier’s billing status (Active? Inactive? For how long?)

• Whether the provider/supplier is a Fraud Prevention System provider/supplier

• Source/Special Project

• Whether the provider/supplier is under a current payment suspension

• Legal basis for revocation

• Relevant facts

• Application of facts to revocation reason

• Any other notable facts

• Effective date (per 42 CFR § 424.535(g))

• Supporting documentation

• Photos (which should be copied and pasted within the document)

B. CMS Field Office or Regional Office Identified Revocations

If a CMS field office (SO) or regional office (RO) believes that the use of Revocation Reason 8 (see 42 CFR §424.535(a)(8) is appropriate), the FO/RO will develop a case file - including the reason(s) for revocation - and submit the file and all supporting documentation to PEOG. The case file must include the name, all known identification numbers - including the National Provider Identifier and associated Provider Transaction Access Numbers - and locations of the provider or supplier, as well as detailed information to substantiate the revocation action.

If PEOG concurs with the FO/RO’s revocation recommendation, PEOG will: (1) instruct the contractor to revoke the provider/supplier’s Medicare billing privileges, and (2) notify the FO/RO of same.

15.27.4 - External Reporting Requirements
(Rev. 636, Issued: 02-04-16, Effective: 03-04-16- Implementation: 03-04-16)

A. Quarterly
No later than the last day of January, April, July and October of each year, the contractor shall furnish to its CMS Provider Enrollment & Oversight Group Business Function Lead (PEOG BFL) via e-mail the following information for the previous quarter:

- Number of revocations of Form CMS-855A enrollments and the three most frequent reasons for said revocations.

- Number of revocations of Form CMS-855B and Form CMS-855I enrollments and the three most frequent reasons therefore. (Form CMS-855B and Form CMS-855I revocations shall be listed separately.)

The contractor need not submit this data to CMS via any sort of spreadsheet. A simple e-mail is sufficient.

B. Monthly

Using the existing template, the MAC shall capture the following information for all denied Form CMS-855 paper and web applications (to include those entered in PECOS and those not entered in PECOS):

- LBN of the provider/supplier
- NPI
- State
- Contractor ID
- The denial reason (For any applications denied using the ‘Other (CMS Only)’ reason in PECOS, the MAC shall specify the denial reason in column U)
- If the denial was entered in PECOS (Y/N)

The reports shall be sent to the Provider Enrollment & Operations Group (with a copy to the MAC’s Contracting Officer's Representative (COR)) no later than the 15th of each month; the report shall cover the prior month’s denials (e.g., the February report shall cover all January denials).

15.28 – Deceased Practitioners

A. Reports of Death from the Social Security Administration (SSA)

Contractors, including DME MACs and the NSC MAC, will receive from CMS a monthly file that lists individuals who have been reported as deceased to the SSA. To help ensure that Medicare maintains current enrollment and payment information and to
prevent others from utilizing the enrollment data of deceased individuals, the contractor shall undertake the activities described below.

**B. Verification Activities for Individuals Other than Physicians, Non-Physician Practitioners and/or Suppliers of Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS)**

(If the person is an owner, managing employee, director, officer, authorized official, etc., the contractor shall verify and document that the person is deceased using the process described in section (C)(1) below.)

Once the contractor verifies the report of death, it shall notify the provider or supplier organization with which the individual is associated that it needs to submit a Form CMS-855 change request that deletes the individual from the provider or supplier’s enrollment record. If the provider fails to submit this information within 90 calendar days of the contractor’s request, the contractor shall deactivate the provider’s Medicare billing privileges in accordance with 42 CFR §424.540(a)(2). (DMEPOS Suppliers Only - If a DMEPOS supplier fails to submit this information within 30 calendar days of the contractor’s request, the contractor shall deactivate the supplier’s billing privileges in accordance with 42 CFR §424.57(c)(2).)

The contractor need not, however, solicit a Form CMS-855 change request if:

- The associate was the sole owner of his or her professional corporation or professional association. The contractor can simply take steps to deactivate that organization’s enrollment in Medicare pursuant to section 15.27 of this chapter (e.g., seeking CMS approval); or

- The organization is enrolled with another contractor. Here, the contractor shall notify (via fax or e-mail) the contractor with which the organization is enrolled of the situation, at which time the latter contractor shall take actions consistent with this section 15.28.

**C. Reports of Death from Third-Parties**

2. Verification

If a contractor, including DME MACs or the NSC MAC, receives a report of death from a third-party (state provider association, state medical society, academic medical institution, etc.), the contractor shall verify that the physician, non-physician practitioner or DMEPOS supplier is deceased by:

- Obtaining oral or written confirmation of the death from an authorized or delegated official of the group practice to which the physician, non-physician practitioner or DMEPOS supplier had reassigned his or her benefits;
• Obtaining an obituary notice from the newspaper;

• Obtaining oral or written confirmation from the state licensing board (e.g., telephone, e-mail, computer screen printout);

• Obtaining oral or written confirmation from the State Bureau of Vital Statistics; or

• Obtaining a death certificate, Form SSA-704, or Form SSA-721 (Statement of Funeral Director).

2. Post-Confirmation Actions

Once the contractor verifies the death, it shall:

1. Undertake all actions normally associated with the deactivation of a supplier’s billing privileges.

2. Search PECOS to determine whether the individual is listed therein as an owner, managing employee, director, officer, partner, authorized official, or delegated official of another supplier.

3. If the person is not in PECOS, no further action with respect to that individual is needed.

4. If the supplier is indeed identified in PECOS as an owner, officer, etc., the contractor shall notify the organization with which the person is associated that it needs to submit a Form CMS-855 change request that deletes the individual from the entity’s enrollment record. If a provider fails to submit this information within 90 calendar days of the contractor’s request, the contractor shall deactivate the provider’s billing privileges in accordance with §424.540(a)(2). (DMEPOS Suppliers Only - If a DMEPOS supplier fails to submit this information within 30 calendar days of the contractor’s request, the contractor shall deactivate the supplier’s billing privileges in accordance with §424.57(c)(2).)

The contractor need not, however, ask for a Form CMS-855 change request if:

a. The physician, non-physician practitioner or DMEPOS supplier was the sole owner of his/hers professional corporation or professional association. The contractor can simply take steps to deactivate that organization’s enrollment in Medicare pursuant to section 15.27 of this chapter; or

b. The organization is enrolled with another contractor. In this situation, the contractor shall notify (via fax or e-mail) the contractor with which the organization is enrolled of the situation, at which time the latter contractor shall take actions consistent with this section 15.28.
The contractor shall place verification documentation in the provider or supplier file in accordance with section 15.7.3 of this chapter.

D. Education & Outreach

Contractors, including DME MACs and the NSC MAC, shall conduct outreach to state provider associations, state medical societies, academic medical institution, and group practices, etc., regarding the need to promptly inform contractors of the death of physicians and non-physician practitioners participating in the Medicare program.

E. Trustees/Legal Representatives

1. NPI - The trustee/legal representative of a deceased physician, non-physician practitioner or DMEPOS supplier’s estate may deactivate the NPI of the deceased provider by providing written documentation to the NPI enumerator.

2. Special Payment Address - In situations where a physician, non-physician practitioner or DMEPOS supplier has died, the contractor can make payments to the individual’s estate per the instructions in Pub. 100-04, chapter 1. When the contractor receives a request from the trustee or other legally-recognized representative of the physician, non-physician practitioner or DMEPOS supplier’s estate to change the physician, non-physician practitioner or DMEPOS supplier’s special payment address, the contractor shall, at a minimum, ensure that the following information is furnished:

   - Form CMS-855 change of information request that updates the “Special Payment” address in the application. The Form CMS-855 can be signed by the trustee/legal representative.
   
   - Any evidence – within reason - verifying that the physician, non-physician practitioner or DMEPOS supplier is in fact deceased.
   
   - Legal documentation verifying that the trustee/legal representative has the legal authority to act on behalf of the provider, non-physician practitioner or DMEPOS supplier’s estate.

The policies in this section 15.28(E)(1) and (2) apply only to physicians, non-physician practitioners and DMEPOS suppliers who operated their business as sole proprietors. It does not apply to solely-owned corporations, limited liability companies, etc., nor to situations in which the physician or non-physician practitioner reassigned his or her benefits to another entity.

15.29 - Provider and Supplier Revalidations

The contractor shall follow the guidance provided in sections 15.29.1 through 15.29.10
when processing revalidation applications, unless indicated otherwise in another CMS directive. Also, this guidance takes precedence over all others instructions in this chapter 15 with respect to revalidation processing unless, again, another CMS directive specifies otherwise.

Consistent with section 6401(a) of the Patient Protection and the Affordable Care Act (ACA), all existing providers and suppliers are required to revalidate their enrollment information under new enrollment screening criteria. Providers and suppliers are normally required to revalidate their Medicare enrollment every 5 years (every 3 years for suppliers of Durable Medical Equipment, Prosthetics Orthotics and Supplies (DMEPOS)). However, CMS reserves the right to perform off-cycle revalidations as deemed necessary.

15.29.1 – Revalidation Lists

CMS will identify the providers and suppliers required to revalidate during each cycle (List 1). CMS will communicate when new lists become available through the appropriate channels, at which time the contractor shall obtain the list from the CGI Share Point Ensemble website. This list will also be made available on CMS.gov so that providers and suppliers are aware of who has been selected to revalidate and should be expecting a revalidation notice from their contractor, as well as who has been sent a revalidation notice. The list is informational only, and providers and suppliers shall not take any action to revalidate until asked by their contractor to do so.

CMS will also provide contractors with an additional list (List 2) consisting of large groups (200+ members) accepting reassigned benefits from individual providers identified on the CMS List 1. Large groups will receive a letter from their contractor informing them that providers linked to their group have been selected to revalidate. A spreadsheet detailing the applicable provider’s Name, National Provider Identifier (NPI) and Specialty will also be provided. The letter and spreadsheet will be mailed to the group’s correspondence address within 15 days of the contractor receiving the CMS list. This is informational only; groups should not take any action to revalidate their providers until asked by their contractor to do so.

Groups with less than 200 reassignments will not receive a letter or spreadsheet from their MAC, but can utilize Internet-based PECOS or the CMS list available on CMS.gov to determine if their providers have been mailed a revalidation notice.

15.29.2 – Mailing Revalidation Letters

The contractor shall mail and complete revalidations per enrollment record. Revalidations shall not be completed by National Provider Identifiers (NPIs) or Provider Transaction Access Numbers (PTANs).
When applicable, within 15 days of receiving the CMS list (List 2), the contractor shall mail or email a notification letter to the authorized/delegated official or the enrollment contact to notify them that providers within their group will be receiving a request to revalidate in the next 60 days. The contractor shall include with the notification letter the spreadsheet identifying the individual providers that will be revalidated. The contractor shall designate an enrollment analyst for each of the large groups to coordinate revalidation activities. The designated enrollment analyst shall be identified on the group notification letter and shall work directly with the group’s enrollment contact person or the authorized/delegated official on file.

Within 60 days of receiving the list from CMS, the contractor shall mail a revalidation letter to the providers and suppliers identified on the list in a colored envelope (preferably yellow) to distinguish the notice from other correspondence. The contractor may stagger the mailings however it sees fit to meet the 60-day timeframe.

The contractor shall issue one letter and reference all associated Provider Transaction Access Numbers (PTANs). A sample revalidation letter can be found in section 15.24.5 of this chapter. The contractor shall send the letter to the provider or supplier’s special payment address and correspondence address. If the special payment and correspondence address are the same, the second letter shall be sent to the primary practice location. If only one address is available, the contractor shall only send one letter. Two letters shall not be sent to the same address.

For “individual group member only” providers with one or more reassignments, the contractor shall send the revalidation letter to the provider’s correspondence address and to a special payment address of one of the groups to which they reassign. Contractor discretion shall be used in determining which group address shall be utilized. If a provider has completed a new reassignment and that PTAN is not on the CMS revalidation mailing list but is attached to the enrollment record being revalidated, the contractor shall not include that PTAN on the revalidation request or develop for the new reassignment/new PTAN as part of the revalidation.

If one of the locations is found to be incorrect or the letter gets returned as undeliverable, the contractor shall re-send the returned letter to an address not used for the initial mailing. If it is determined that all locations are the same and the contractor has exhausted all reasonable means of contacting the provider/supplier, the contractor shall deactivate the provider/supplier’s enrollment in either MCS/FISS or PECOS, whenever possible.

15.29.3 – Non-Response to Revalidation Actions

15.29.3.1 – Phone Calls
Providers and suppliers shall be given 60 days from the date of the revalidation letter to submit their revalidation application. If a revalidation application is not received, the contractor shall contact the provider or supplier via telephone regarding the revalidation request between days 60-70 or days 71-80 (DMEPOS suppliers only) of mailing the revalidation notice. The contractor may place calls prior to the timeframes outlined if the current timeframes fall on a weekend or holiday. The contractor may begin telephone or email contacts to providers/suppliers to communicate non-receipt of the revalidation application earlier if it chooses, so long as the provider/supplier has been contacted by days 60-70.

The contractor shall use the telephone number linked to the correspondence or practice location address listed in PECOS or another telephone number on file, if available. A minimum of two attempts to contact the provider or supplier telephonically shall be made, unless the first attempt reveals that the telephone number is no longer in service. If no valid telephone numbers can be found during the first attempt, only one telephone attempt is required.

Telephone attempts should generally be made between the hours of 8:00 am and 6:00 pm of the provider’s or supplier’s time zone. Busy signals shall not be considered a successful attempt. Leaving voicemails is acceptable so long as a name and phone number is left for the provider or supplier to contact someone directly at the contractor site. Consistent with section 15.7.3 of this chapter, all telephone contacts shall be documented with the date and time of each call and noted in the provider’s or supplier’s file.

### 15.29.3.2 – Pend Status

If a revalidation application has not been received by days 71–75 of mailing the revalidation notice, the contractor shall place the provider or supplier in a pend status; this will hold all paper checks, Standard Remittance Advices (SPRs), and Electronic Funds Transfers (EFT) from being issued. This administrative action shall be applied in PECOS using instructions outlined in other CMS directives. The contractor shall not directly apply this action in the shared systems. The contractor shall communicate the purpose of the pend status to the individual provider, contact person, or authorized or delegated official of the organization via telephone or letter; the contractor shall use its own discretion in determining the best method.

If the method used to communicate the pend status is via telephone, the contractor should forgo sending the pend letter. The contractor shall use the telephone number linked to the correspondence or practice location address listed in PECOS or another phone number on file, if available. Leaving a voicemail to communicate the pend status is not acceptable. A minimum of two attempts shall be made to contact the provider or supplier telephonically before a letter is issued.
If the letter option is used, the contractor shall use the sample letter found in section 15.24.5.3 of this chapter. The letter shall be mailed to the provider’s or supplier’s special payment and correspondence addresses. If the correspondence address is not available, the physical practice address shall be used.

“Individual group member only” providers who reassign any of their benefits to one or more groups shall not be placed in a pend status. Instead, they shall be deactivated during this period if no response is received. This action shall not affect the group’s PTANs but only the reassignment arrangement between the group and the deactivated group member.

15.29.3.3 – Deactivation Actions  

If a revalidation application has not been received by days 120 – 125 of sending the revalidation notice, the contractor shall end-date the pend status and deactivate the provider’s or supplier’s enrollment record (including all associated PTANs) in PECOS. The contractor shall not revoke a provider/supplier for failing to respond to a revalidation requested unless directed otherwise by CMS.

The contractor shall establish the effective date of deactivation as the same date the action is being taken. When deactivating a group with group members, the contractor shall end-date all group member PTANs linked to that group. The deactivation of the entire enrollment record shall only occur if a response has not been received for any of the provider’s or supplier’s PTANs.

The contractor shall utilize the sample letter found in section 15.24.5.4 of this chapter to communicate the deactivation action. The letter shall be mailed to the provider’s or supplier’s special payment or correspondence address within 5 business days of the deactivation action.

If an individual provider is deactivated for failure to respond to a revalidation request, the contractor shall search the provider’s associate record to determine if the provider is identified as a supervising physician on any independent diagnostic testing facility (IDTF) enrollments. If so, the provider shall be disassociated as the supervising physician for that entity. If the deactivated provider is the only supervising physician on file for the IDTF, the contractor shall develop for an active supervising physician to bring the IDTF into compliance. The contractor shall give the IDTF 30 days to respond. Failure to provide an active supervising physician in the designated timeframe shall result in revocation of the IDTF’s billing privileges for non-compliance with the IDTF standards.

15.29.4 - Receipt of Revalidation Application  
The contractor shall not return a revalidation application received by a provider or supplier on the CMS revalidation list unless it falls within one of the categories identified in section 15.8.1 of this chapter. The contractor shall also accept and process unsolicited revalidation submissions with an accompanying application fee or hardship request, if applicable.

The contractor may only accept revalidation applications signed by the individual provider or the authorized official (AO) or delegated official (DO) of the provider/supplier organization.

If a provider/supplier wishes to voluntarily withdraw from Medicare (including deactivating all active PTANs), the contractor shall accept this request via phone, U.S. mail or fax from the individual provider or the AO/DO (on letterhead); the contractor shall not require the provider/supplier to complete a CMS-855 application. If the request is made via telephone, the contractor shall document the telephone conversation (in accordance with section 15.7.3 of this chapter) and take the appropriate action in PECOS.

15.29.4.1 – Revalidation Received and Development Required

If the revalidation application is received but requires development (i.e., missing information such as application fee, hardship request, PTANs, documentation, signature), the contractor shall notify the provider or supplier via mail, phone, fax or email. Providers and suppliers shall be given 30 days to respond to the contractor’s request and may submit the missing information via mail, fax, or e-mail containing scanned documentation (this includes missing signatures and dates).

If licensure and/or educational requirements (i.e., non-physician practitioner’s degree or diploma) can be verified online, the contractor shall not require the provider/supplier to submit this documentation. Residency information shall also not be required as part of revalidation. The contractor shall not require further development for data that is missing on the provider/supplier’s revalidation application if the information is disclosed (1) elsewhere on the application, or (2) in the supporting documentation submitted with the application with the exception of the following items:

- Adverse legal action data
- Legal business name (LBN)
- Tax identification number (TIN)
- NPI-legacy number combinations
- Supplier/Practitioner type
- “Doing business as” name
- Effective dates of sale/transfer/consolidation or indication of acceptance of assets/liabilities
In scenarios where a revalidation response is received for a single PTAN within an enrollment record that has multiple PTANs, the contractor shall develop for the remaining PTANs not accounted for. If no response is received, the contractor shall revalidate the single PTAN and end-date the PTAN(s) within the enrollment record that were not revalidated. (The same would apply if the provider or supplier has five PTANs. To illustrate, a response was received for all five. However, two of the five required development, and a response was not received for those two PTANs. The two PTANs would be end-dated and the remaining three revalidated. In both scenarios, the entire enrollment should not be deactivated; only the non-response PTANs should be end dated and the other PTANs revalidated.)

If the provider/supplier fails to disclose (1) all locations on the application that currently exist on file with Medicare or (2) all PTANs in the claims systems, the contractor shall confirm the missing data with the individual provider, the AO/DO, or the enrollment contact person via telephone or U.S. mail without requesting a newly-signed certification statement and end-date the locations or PTANs, if appropriate. If the provider/supplier requests to collapse its PTANs as a result of revalidation, the contractor shall process those requests, if appropriate (based on payment localities, etc.).

If the provider or supplier fails to timely respond to the developmental request by days 50-55, the contractor shall place the provider or supplier in a pend status using the instructions outlined in section 15.29.3.2 of this chapter. “Individual group member only” providers who reassign any of their benefits to one or more groups shall not be placed in a pend status. Instead, they shall be deactivated during this period if no response to the develop request is received. This action shall not affect the group’s PTANs but only the reassignment arrangement between the group and the deactivated group member.

If, after 60 days from applying the pend flag, the provider or supplier still has not responded to the development request, the contractor shall deactivate the provider’s or supplier’s enrollment record (including all associated PTANs). The contractor shall establish the effective date of deactivation as the same date the action is being taken. When deactivating a group with group members, the contractor shall end-date all group member PTANs linked to that group. The deactivation of the entire enrollment record shall only occur if a response has not been received for any of the provider’s or supplier’s PTANs.

15.29.4.2 – Revalidation Received after a Pend is Applied

The contractor shall remove the pend within 15-20 business days of receiving the revalidation application, even though the submitted application has not been processed to completion. This will release all held paper checks, SPRs, and EFT payments.
The contractor shall process the revalidation application using current processing instructions and mail a decision letter to the provider or supplier to notify it that the revalidation application has been processed.

15.29.4.3 – Revalidation Received After a Deactivation Occurs

If the deactivation resulted from the provider’s or supplier’s failure to respond to a development request, the contractor shall allow the provider or supplier to only submit the missing information/documentation to revalidate without requiring submission of a new application -- but only if the information is received prior to 120 days after the date of deactivation. The contractor shall re-open and work from the previously submitted application. If the deactivation was a result of the provider or supplier failing to respond at all, it must submit a full application to revalidate.

The contractor shall reactivate the deactivated PTAN(s) within 15-20 days of receiving the revalidation application or missing information, even though the revalidation has not been processed to completion. The PTAN and effective date shall remain the same if the revalidation application was received prior to 120 days after the date of deactivation. If the revalidation is received more than 120 days after deactivation, a new PTAN and effective date shall be issued to the provider or supplier, consistent with the effective date requirements in section 15.17 of this chapter. This requirement also applies to group members.

When revalidating a group that had group members, the contractor shall reactivate only those group members that had active PTANs linked to that group at the time of the deactivation. A new CMS-855 is not required from the group members.

When processing the revalidation application after a deactivation occurs, the contractor shall not:

- Require any provider/supplier whose PTAN(s) have been deactivated to obtain a new State survey or accreditation as a condition of revalidation

- Collect a 2nd application fee if a fee was previously submitted with the initial revalidation application (this only applies to applications submitted within 120 days after the date of deactivation). The contractor shall use instructions outlined in other CMS directives to properly document this information in PECOS.

After the revalidation application is complete, the contractor shall mail an approval letter to the provider/supplier to notify it that the revalidation was successful and that any previously denied claims due to the deactivation shall be resubmitted.

15.29.4.4 – Change of Information Received After Revalidation Letter Mailed
If a change of information (COI) application is received from the provider/supplier prior to the contractor having mailed the revalidation letter, the contractor shall process the COI as normal and proceed with mailing the revalidation notice.

If the provider/supplier submits an application marked as a revalidation but only includes enough information to be considered a COI, the contractor shall (1) develop for a complete application containing the missing data elements, and (2) treat it as a revalidation.

15.29.5 – Revalidating Providers Involved in a Change of Ownership (CHOW)

The contractor shall require revalidations for providers involved in a CHOW where the RO/State has not made a final determination and the PECOS enrollment record is in an “Approval Pending Regional Office Review” status. If the CHOW was received within 180 days of the contractor having received the CMS list that required the contractor to revalidate the provider, the contractor shall forgo mailing the revalidation request. If the CHOW was received more than 180 days after receiving the CMS list, the contractor shall send the revalidation request to the new owner using the sample revalidation letter in section 15.24.5.1 of this chapter. Upon receipt of the revalidation application, the contractor shall (1) compare the information submitted on the revalidation application against the information in PECOS in “Approval Pending Regional Office Review” status, and (2) send any supplemental/changed information to the RO/State to be considered as part of their final determination. The contractor shall not require an application fee to be submitted with the buyer’s revalidation request.

15.29.6 – Reserved for Future Use

15.29.7 – Large Group Revalidation Coordination

The contractor shall designate an enrollment analyst for each of the large groups to coordinate revalidation activities. The designated enrollment analyst shall be identified on the group notification letter and shall work directly with the group’s enrollment contact person or the authorized/delegated official on file. The contractor may also establish a designated enrollment analyst to manage revalidating providers that have multiple PTANs.

The contractor should perform verification of large groups with the contact person listed on the enrollment application.

The contractor shall allow the large groups to deactivate reassignments that are no
longer valid through the submission of a spreadsheet. The spreadsheet shall be submitted with a letter on company letterhead and signed by the authorized/delegated official of the organization. This process is only applicable to large groups revalidating their providers.

15.29.8 – Finalizing the Revalidation Application

Prior to processing the revalidation application to completion, the contractor shall ensure that:

- A site visit (if applicable to the provider/supplier in question) is requested to be conducted by the National Site Visit Contractor (NSVC).

- The provider/supplier meets all applicable federal regulatory requirements regarding licensure, certification and/or educational requirements, as listed in the Code of Federal Regulations (CFR) and as described in CMS Publication 100-02 for his or her supplier type.

- The most current version or later of the CMS-588 Electronic Funds Transfer (EFT) agreement (approved by the Office of Management and Budget (OMB) on 09/2013) is on file with Medicare. If not on file, the contractor shall develop for it.

- The provider/supplier’s information is revalidated based on the information in PECOS.

- Practice locations continue to be verified; however, there is no need to contact each and every location separately. Verification shall be done with the contact person listed on the application and noted accordingly in the contractor’s verification documentation per section 15.7.3 of this chapter.

- The appropriate logging & tracking (L&T) record type and finalization status are identified in PECOS.

- An enrollment record is not marked as revalidated in PECOS if responses have been received for some PTANs yet not all PTANs have been addressed (meaning that no action has been taken on the non-response PTANs, i.e., end-dated). If all PTANs have been addressed (i.e., revalidated, end-dated), the enrollment can be marked as revalidated.

- PECOS and the claims systems remain in sync. The contractor shall not directly update the shared systems without first updating PECOS when processing a revalidation unless instructed otherwise in another CMS directive.

15.29.9 – Revalidation Reporting
No later than the 5th and the 20th of each month, the contractor shall submit its revalidation report to revalidation@cms.hhs.gov and its Business Function Lead (BFL) identifying the following information for providers/suppliers in its contractor jurisdiction only:

- Date Revalidation Notice Sent
- Revalidation Package Received Date
- Revalidation Completed Date
- Reactivation Completed Date (if applicable)

The contractor shall submit this data in the format specified through CMS directives.

15.29.10 - Revalidation Files on CMS.gov

By visiting [http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/Revalidations.html](http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/Revalidations.html) on the CMS website, providers/suppliers can identify if they should expect to receive a revalidation notice or if a revalidation notice has been mailed. Available in the “Downloads” section is a list of providers and suppliers that have been selected to revalidate and that should be receiving a revalidation notice from their contractor within the next 60 days. This list is updated periodically after new revalidation lists are provided to the contractors. This is informational only; providers and suppliers should not take any action to revalidate until asked by their contractor to do so.

Also available in the "Downloads" section is a listing of all providers and suppliers that have been mailed a revalidation notice. The files are broken down by the month in which the revalidation request was mailed. CMS will add lists on a bimonthly basis. If a provider/supplier is listed and has not received the revalidation request from its contractor, it should contact its contractor. Contact information for each contractor can be found on that webpage.
## Transmittals Issued for this Chapter

<table>
<thead>
<tr>
<th>Rev #</th>
<th>Issue Date</th>
<th>Subject</th>
<th>Impl Date</th>
<th>CR#</th>
</tr>
</thead>
<tbody>
<tr>
<td>R659PI</td>
<td>06/24/2016</td>
<td>Update to Pub. 100-08, Chapter 15</td>
<td>07/26/2016</td>
<td>9635</td>
</tr>
<tr>
<td>R636PI</td>
<td>02/04/2016</td>
<td>Update to Pub. 100-08, Chapter 15</td>
<td>03/04/2016</td>
<td>9390</td>
</tr>
<tr>
<td>R626PI</td>
<td>11/13/2015</td>
<td>Update to Surety Bond Collection Requirements</td>
<td>12/14/2015</td>
<td>9296</td>
</tr>
<tr>
<td>R609PI</td>
<td>08/14/2015</td>
<td>Clarification Regarding the Processing of Certain Provider Enrollment-Related Transactions</td>
<td>11/02/2015</td>
<td>9174</td>
</tr>
<tr>
<td>R605PI</td>
<td>07/31/2015</td>
<td>Clarification Regarding the Processing of Certain Provider Enrollment-Related Transactions – Rescinded and replaced by Transmittal 609</td>
<td>11/02/2015</td>
<td>9174</td>
</tr>
<tr>
<td>R592PI</td>
<td>05/08/2015</td>
<td>Update of Provider Enrollment Instructions in Chapter 15 of Pub. 100-08</td>
<td>06/08/2015</td>
<td>9139</td>
</tr>
<tr>
<td>R591PI</td>
<td>05/08/2015</td>
<td>Revisions to Surety Bond Collection Policies</td>
<td>06/08/2015</td>
<td>9123</td>
</tr>
<tr>
<td>R590PI</td>
<td>04/24/2015</td>
<td>Update of CMS-855A, Physician-Owned Hospital Reporting Via the CMS-855POH and Indirect Payment Procedure Registration Via the CMS-855C in Chapter 15 of Pub. 100-08</td>
<td>05/25/2015</td>
<td>9120</td>
</tr>
<tr>
<td>R587PI</td>
<td>04/17/2015</td>
<td>Clarification of Ordering and Certifying Documentation Maintenance Requirements</td>
<td>07/20/2015</td>
<td>9112</td>
</tr>
<tr>
<td>R582PI</td>
<td>03/04/2015</td>
<td>Incorporation of Certain Provider Enrollment Policies in CMS-6045-F into Pub. 100-08, Program Integrity Manual (PIM), Chapter 15</td>
<td>05/28/2015</td>
<td>9065</td>
</tr>
<tr>
<td>R581PI</td>
<td>02/27/2015</td>
<td>Incorporation of Certain Provider Enrollment Policies in CMS-6045-F into Pub. 100-08, Program Integrity Manual (PIM), Chapter 15 – Rescinded and replaced by Transmittal 582</td>
<td>05/28/2015</td>
<td>9065</td>
</tr>
<tr>
<td>R578PI</td>
<td>02/25/2015</td>
<td>Incorporation of Revalidation Policies into Pub. 100-08, Program Integrity Manual (PIM), Chapter 15</td>
<td>05/15/2015</td>
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<td>07/05/2011</td>
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<td>Rev #</td>
<td>Issue Date</td>
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<td>7177</td>
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<td>01/14/2011</td>
<td>Clarification for Part A Contractors Including Audit and Claims Intermediaries Notifying Each Other via E-mail Upon Processing of the Initial Enrollment Application, Change of Information, Voluntary Termination, or Any Other CMS-855 Transaction</td>
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<td>09/17/2010</td>
<td>Eligible Physicians and Practitioners Who Need to Enroll in the Medicare Program for the Sole Purpose of Ordering and Referring Services for Medicare Beneficiaries</td>
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<td>08/27/2010</td>
<td>Notification to State Medicaid Agencies and Child Health Plans of Medicare Terminations for Certified Providers and Suppliers</td>
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<td>08/20/2010</td>
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<td>07/05/2011</td>
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Back to top of Chapter