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MEMORANDUM

TO: RHCF and Community Services Providers

FROM: Patrick Cucinelli, Senior Financial Policy Analyst

DATE: July 31, 2009

SUBJECT: Medicare DMEPOS Developments

ROUTE TO: Administrator, CFO

ABSTRACT: NYAHS reminds members of current changes in DMEPOS billing.

Introduction

NYAHS has been providing members with updates on developments with Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) billing issues. We are issuing this additional reminder in anticipation of the upcoming **October 2009 surety bond and accreditation deadlines**, which apply to all DMEPOS Part B suppliers, including nursing homes and home health agencies in New York. The Centers for Medicare and Medicaid Services (CMS) maintains a comprehensive Web site on DMEPOS billing issues at: <http://www.cms.hhs.gov/DMEPOSCompetitiveBid/>.

As detailed in [NYAHS Doc ID # N00003334](#), please note that the surety bond and accreditation requirements apply to all suppliers irrespective of the competitive bidding process.

Competitive Bidding Resumes

As a result of significant problems encountered during phase 1 of the competitive bidding in 2007, CMS and Congress postponed the project. CMS is now re-instituting the competitive bidding process, essentially looking for the re-submission of bids for phase 1. As was the case in 2007, phase 1 of the re-bid does **not** include any New York state Metropolitan Statistical Areas (MSAs). The re-bid is slated to begin in the next few months. Assuming the process continues

to parallel the steps followed two years ago, phase 2 implementation would include two New York state MSAs or competitive bidding areas (CBAs): *New York-Northern New Jersey-Long Island, NY-NJ-PA*, and *Syracuse, NY*.

Important Reminders

Following is a series of reminders from CMS on important DMEPOS billing issues:

DMEPOS Competitive Bidding Program MLN Matters Article

A Special Edition MLN Matters education article identifying steps suppliers should take in preparation for the DMEPOS Competitive Bidding Program to ensure successful bidder registration is available at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0915.pdf>.

The article highlights specific sections of the CMS-855S, Medicare Enrollment Application, where the accuracy of the Authorized Official information and correspondence mailing address are critical for successful bidder registration. The Centers for Medicare & Medicaid Services (CMS) urges suppliers planning to bid in the 2009 bidding cycle to read this article and make sure their most recent CMS-855S submission is still current and accurate.

Summer 2009

- *CMS announces bidding schedule/schedule of education events*
- *CMS begins bidder education campaign*
- *Bidder registration period to obtain user ID and passwords begins*

Fall 2009

- *Bidding begins*

If you are a supplier interested in bidding, prepare now – don't wait!

- ***UPDATE YOUR NSC FILES:*** *DMEPOS supplier standard # 2 requires ALL suppliers to notify the National Supplier Clearinghouse (NSC) of any change to the information provided on the Medicare enrollment application (CMS-855S) within 30 days of the change. DMEPOS suppliers should use the 3/09 version of the CMS-855S and should review and update:*
 - *The list of products and services found in section 2.D;*
 - *The Authorized Official(s) information in sections 6A and 15; and*
 - *The correspondence address in section 2A2 of the CMS-855S.*

This is especially important for suppliers who will be involved in the Medicare DMEPOS Competitive Bidding Program. These suppliers must ensure the information listed on their supplier files is accurate to enable participation in this program. Information and instructions on how to submit a change of information may be found on the NSC Web site

<http://www.palmettogba.com/nsc>) and by following this path: Supplier Enrollment/Change of Information/Change of Information Guide.

- **GET LICENSED:** Suppliers submitting a bid for a product category in a competitive bidding area (CBA) must meet all DMEPOS state licensure requirements and other applicable state licensure requirements, if any, for that product category for every state in that CBA. Prior to submitting a bid for a CBA and product category, the supplier must have a copy of the applicable state licenses on file with the NSC. As part of the bid evaluation we will verify with the NSC that the supplier has on file a copy of all applicable required state license(s).
- **GET ACCREDITED:** CMS would like to remind DMEPOS suppliers that time is running out to obtain accreditation by the September 30, 2009 deadline or risk having their Medicare Part B billing privileges revoked on October 1, 2009. Accreditation takes an average of six months to complete. DMEPOS suppliers should contact a CMS deemed accreditation organization to obtain information about the accreditation process and the application process. Suppliers must be accredited for a product category in order to submit a bid for that product category. CMS cannot contract with suppliers that are not accredited by a CMS-approved accreditation organization.

Further information on the DMEPOS accreditation requirements, along with a list of the accreditation organizations and those professionals and other persons exempted from accreditation, may be found at the CMS Web site:

http://www.cms.hhs.gov/MedicareProviderSupEnroll/01_Overview.asp .

- **GET BONDED:** CMS would like to remind DMEPOS suppliers that certain suppliers will need to obtain and submit a surety bond by the October 2, 2009 deadline or risk having their Medicare Part B billing privileges revoked. Suppliers subject to the bonding requirement must be bonded in order to bid in the DMEPOS competitive bidding program. A list of sureties from which a bond can be secured is found at the Department of the Treasury's "List of Certified (Surety Bond) Companies;" the Web site is located at:
www.fms.treas.gov/c570/c570_a-z.html.

DMEPOS Supplier Accreditation and Surety Bond Requirement Deadlines Coming In October

Suppliers May Choose to Voluntarily Terminate Enrollment If They Do Not Plan To Comply

Medicare suppliers of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS), unless exempt, must be accredited and obtain a surety bond by October 1, 2009 and October 2, 2009, respectively.

If you have made the decision not to obtain accreditation or a surety bond when required, you may want to voluntarily terminate your enrollment in the Medicare program before the implementation dates above. You can voluntary terminate your enrollment with the Medicare program by completing the sections associated with voluntary termination on page 4 of the

Medicare enrollment application (CMS-855S). Once complete, you should sign, date and send the completed application to the National Supplier Clearinghouse (NSC). By voluntarily terminating your Medicare enrollment, you will preserve your right to re-enroll in Medicare once you meet the requirements to participate in the Medicare program.

If you do not comply with the accreditation and surety bond requirements and do not submit a voluntary termination, your Medicare billing privileges will be revoked. A revocation will bar you from re-enrolling in Medicare for at least one year after the date of revocation.

Suppliers who do not plan to stay enrolled in Medicare are strongly encouraged to notify their beneficiaries as soon as possible so the beneficiary can find another supplier.

For additional information regarding DMEPOS accreditation or the provisions associated with a surety bond, go to <http://www.cms.hhs.gov/MedicareProviderSupEnroll>. Frequently Asked Questions (FAQs) on the surety bond requirement can be found on the NSC's FAQ page at <http://www.palmettogba.com/nsc>.

Please contact me with any questions at pcucinelli@nyahsa.org or call 518-449-2707 ext. 145.