

## PECOS Deadline approaching July 6, 2010

On May 5, 2010, CMS published interim final rules in the Federal Register related to PECOS and providers responsibility regarding registering with Medicare in the PECOS system. These rules are effective July 6, 2010 and may be enforced as early as July 6<sup>th</sup> or may enforced as late as January, 2011. Here is a link to the Federal Register with the PECOS regulations:

<http://edocket.access.gpo.gov/2010/2010-10505.htm>

This subject has been very well reported by Bill Finderfrock and the National Association of Rural Health Clinics at <http://www.narhc.org/index.php> and I highly recommend subscribing to their List-serve which is very active. Here is the link: [http://www.narhc.org/members/members\\_listserve.php](http://www.narhc.org/members/members_listserve.php). Most of this information is from Bill and his responses to questions regarding PECOS. I thought that since this subject is very important to rural health clinics and their providers that I would summarize the information Bill and other people who posted on the List-serve.

“PECOS is the name of the enrollment initiative. You can either enroll (or update) via Internet-based PECOS or by using a paper application. The internet-based process is only available to individuals and groups - RHCs must enroll manually as the electronic process is not currently available to providers such as RHCs.

Internet-based PECOS can accelerate the enrollment process (or updating of information if already enrolled).

Providers who are already enrolled in Medicare must revalidate their information to ensure that it is up-to-date. You should be contacted by your Medicare Contractor to let you know but your providers can revalidate at any time and do not need wait to be contacted by the Contractor in order to revalidate. You are encouraged to use internet-based PECOS to revalidate but you are not required to use this system.

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There are several issues here that need to be addressed.

In order to bill Medicare for services provided to a Medicare patient, a provider must be enrolled in Medicare (i.e. PECOS – Provider, Enrollment, Chain and Ownership System). That’s not anything new. The RHC is enrolled in Medicare and in most instances, the individual practitioners (physicians, PAs, NPs, etc.) are individually enrolled in Medicare.

What is new is that in order for Medicare to pay physicians for services provided to patients referred to that provider or for services ordered by another provider, the ordering or referring provider must be enrolled in

Medicare. What that means is if a patient comes into the RHC and the patient is referred to a radiologist for an image or a lab for lab services, IF the ordering or referring provider is NOT enrolled in Medicare, then Medicare will not pay the radiologist or pathologist (or lab) for that service.

Many RHC providers working in the clinic environment have not felt it necessary to enroll in Medicare individually (or have not updated their enrollment information) because they were not submitting Medicare claims. Now, however, it is imperative that All providers who will be referring patients to other providers or ordering services for their Medicare patients. Failure to enroll will likely result in many specialists or providers (lab, home health, DME, etc.) refusing to see these patients because they cannot get paid by Medicare. Several months ago, CMS announced that the “ordering and referring” provider enrollment requirement would become effective in January, 2011. More recently, however, legislation has been enacted that authorizes CMS to begin enforcing this policy in early July. CMS has not officially announced how they intend to proceed. Although it is clear that the policy will be effective on July 6<sup>th</sup>, it is possible that CMS will defer enforcement of the policy until 2011. we anticipate an announcement from CMS in the very near future on how it intends to enforce this new requirement.

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If your providers are not individually enrolled in Medicare, they are strongly encouraged to do so. Just a note that in discussion with our CMS representative, if providers who work for clinics and other entities and do not use their individual provider numbers, these individual Medicare Part B provider numbers will roll off the enrollments every year for non use.

**THIS WILL REQUIRE ALL PROVIDERS TO REENROLL ANNUALLY BEFORE THE ANNIVERSARY DATE.**

If Medicare does not come up with some fix, all these providers will have to be sure and watch closely the annual date of their enrollment so that they are not left being unenrolled automatically.

Several folks have inquired about a way to determine whether a physician, PA, NP, etc. was enrolled in the PECOS system. CMS is periodically publishing a listing of all providers enrolled in PECOS. Here is a link to that listing. It is more than 13,000 pages long. You can search by last name or NPI number. For some providers, you will need to know both. You'd be amazed at how many providers have the same name!

<http://www.cms.gov/MedicareProviderSupEnroll/downloads/OrderingReferringReport.pdf>

The PECOS list contains the names of both physicians and PAs and NPs who are enrolled in PECOS. If you cannot find a provider's name on this list, it would mean the provider is NOT enrolled in PECOS.

All providers and suppliers who enrolled in Medicare within the past 6 years, as well as those who enrolled more than 6 years ago and who have submitted updates to their enrollment information within the past 6 years, have enrollment records in PECOS that contain verified credentials.

Those who enrolled more than 6 years ago and who have not updated their enrollment information in the past 6 (or more) years will need to submit enrollment applications to Medicare to establish enrollment records in PECOS. They may do this by filling out the paper Medicare provider enrollment applications (using the appropriate form(s) from the CMS-855

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series of forms) and mailing the completed application(s) to the appropriate Medicare enrollment contractor or by using Internet-based PECOS to submit their enrollment application to the Medicare enrollment contractor over the Internet.

If you want to find out the NPI for a provider, you can go to the NPI registry and search for a provider (either an individual or a group) by name and address:

<https://nppes.cms.hhs.gov/NPPES/NPIRegistryHome.do>

Although the NPI database is regularly updated, the PECOS listing is only done every few months. Consequently, it is conceivable that a provider has enrolled in PECOS but his/her name just hasn't shown up on the list yet.

I also want to clarify something I said yesterday. I said that if you are enrolled in Medicare, you are in PECOS. This is always NOT correct. It is possible for a provider to be enrolled in Medicare without being on the PECOS system. If a provider enrolled in Medicare several years ago and has not updated his/her enrollment within the past few years, that provider will likely not be in the PECOS system. By checking the PECOS list, you can determine whether this is something you need to do.

If you do not find your provider(s) on the PECOS list, you should contact your Medicare contractor to begin the enrollment/revalidation process so that he/she will show up on the PECOS enrollment list.”

Since there have been a lot of problems with the PECOS enrollment, CMS issued a press release on June 30, 2010 indicating that enforcement would not start on July 6, 2010. Here is the text of the press release:

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**For Immediate Release:** Wednesday, June 30, 2010

**Contact:** CMS Office of Public Affairs  
202-690-6145

**CMS TO REVIEW PECOS ENROLLMENT PROCESS**

Medicare Working with Ordering and Referring Providers and Suppliers to Streamline  
Enrollment Process

The Centers for Medicare & Medicaid Services (CMS) is working with providers to address concerns about enrollment in the Provider Enrollment, Chain and Ownership System (PECOS) to ensure that Medicare beneficiaries continue to receive the health care services and items they need. PECOS is the electronic system used to enroll physicians and eligible professionals into the Medicare program.

As part of those efforts, CMS will, for the time being, not implement changes that would automatically reject claims based on orders, certifications, and referrals made by providers that have not yet had their applications approved by July 6, 2010. While more than 800,000 physicians and other health professionals have enrolled and have approved applications in the PECOS system, some providers have encountered problems. CMS is continuing to update and streamline the process, and more providers have been enrolled in the past few days.

CMS issued an interim final regulation on May 5, 2010 implementing provisions of the Affordable Care Act that permit only a Medicare enrolled physician or eligible professional to certify or order home health services, durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS), and certain items and services under Medicare Part B. The new law applies to orders, referrals and certifications made on or after July 1. The comment period for the regulation closes on July 6, after which the comments will be reviewed and considered before a final regulation is issued.

The Affordable Care Act provisions and the regulation were designed as steps to prevent fraud in Medicare by ensuring that only eligible and identifiable providers and suppliers can order and refer covered items and services to Medicare beneficiaries.

Many physicians and other providers and suppliers have continued to make good faith efforts to comply with the requirements of the law and regulation. These efforts will be a significant factor in determining the procedures and processes that will be incorporated in the final rule.

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While the regulation will be effective July 6, 2010, CMS will not implement automatic rejections of claims submitted by providers that have attempted to enroll in PECOS. However, until the automatic rejections are operational, providers should not see any change in the processing of submitted claims, they will continue to be reviewed and paid as they have historically been reviewed and paid.

Additionally, though CMS is taking a more deliberative approach to using the PECOS enrollment system, the agency will employ a contingency plan to meet the ACA requirement that written orders and certifications are only issued by eligible professionals effective July 1.

CMS will continue to send informational notices to providers reminding them of the need to submit or update their enrollment and will work with the provider community to provide guidance on enrollment and will process all applications expeditiously.

All of that information was from the National Association of RHCs and Bill Finerfrock. The Fall Institute is in Reno on October 20-22 and to register here is a link:

[https://secure.siteoncall.com/events/register\\_online.php?event=252](https://secure.siteoncall.com/events/register_online.php?event=252)

Here is the link to enroll your providers in PECOS

<https://pecos.cms.hhs.gov/pecos/login.do> or try this

<http://www.cms.gov/MedicareProviderSupEnroll/>



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All TrailBlazer Part A and Part B notices will be posted to this site. Users are able to view the latest information from TrailBlazer and CMS, such as CR or JSM instructions, or easily retrieve the most up-to-date information without searching the entire site. The CMS mandated notices will include a link to the CMS Web site where providers may view the transmittals in their entirety. For your convenience, notices are listed in date order with the most current being shown first. This page is updated daily.

**Clarification Regarding Date All Referring/Ordering Providers Must Be Enrolled in PECOS**  
(6/24/2010)

On May 5, 2010, CMS published CMS-6010-IFC (Interim Final Rule with Comment Period) in the *Federal Register*. The rule is titled, "Medicare and Medicaid Programs; Changes in Provider and Supplier Enrollment, Ordering and Referring, and Documentation Requirements; and Changes in Provider Agreements." Based on the IFC, provisions contained in the rule will be effective July 6, 2010. Providers are interpreting the IFC rule to mean that all referring/ordering providers must be enrolled in the Provider Enrollment, Chain and Ownership System (PECOS) by July 6, 2010, which in their view contradicts the **January 3, 2011, date currently in effect based on directives issued in Change Request (CR) 6417.**

To clarify the required dates for the ordering/referring provider to be enrolled in Medicare, please consider the following information.

When new regulations or changes to current regulations affect the Medicare program, CMS publishes the regulations in the *Federal Register* in the form of Final Rules. Although regulations are published in the *Federal Register*, Medicare contractors do not perform any action to implement the provisions contained in those rules until CMS issues official directives in the form of CRs. CRs are developed by CMS with specific instructions to contractors on how and when Medicare requirements must be implemented. At this time, TrailBlazer has **not** received a CR from CMS directing us to perform any action in relation to the provisions addressed in CMS-6010-IFC.

**TrailBlazer continues to comply with the directives CMS issued in CR 6417, which established claims processing editing to verify the referring/ordering provider submitted on a claim is of the type to order/refer the service billed and is enrolled in Medicare as recorded in the national PECOS files or the contractor's master provider files. The effective dates outlined in CR 6417 are provided below for further clarification.**

**Important Dates**

**October 5, 2009, through January 2, 2011** – For claims received during this period for services/items requiring a referring/ordering provider, claims processing editing will verify the ordering/referring provider submitted on the claim is of the specialty eligible to order/refer and is either enrolled in PECOS or on the contractor's master provider file. If either of those requirements is not met, the billing provider receives an **informational message** explaining that the claim failed the ordering/referring provider edits. The claim will continue processing during this time period.

**January 3, 2011** – For claims received on or after this date for services/items requiring a referring/ordering provider, claims processing editing will verify the ordering/referring provider submitted on the claim is of the specialty eligible to order/refer and is either enrolled in PECOS or the contractor's master provider file. If either of those requirements is not met, the billing provider will **not receive payment for the ordered/referred services/items billed.**

**References**

- CR 6417:  
<http://www.cms.gov/transmittals/downloads/R6420TN.pdf>.

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And here is Bill's comments on the document:

“In general, I believe that what Trailblazers states in the 6/29/2010 announcement that was posted on the Listserve yesterday is consistent with what I've heard from CMS – as it relates to Trailblazers book of Medicare business.

However, I do not believe it is reflective of what will happen with orders for either Home Health or DME. Trailblazers is NOT a Home Health or DME contractor for CMS and their announcement does not cover these services. I believe that CMS' contractors for Home Health and DME will deny claims for these services beginning on or around July 6th if the referring/ordering provider is not enrolled in PECOS.

We have nothing official from CMS but based upon conversations I have had with several CMS officials over the past few weeks, RHCs should anticipate the likelihood that orders for DME or Home Health from providers not enrolled in PECOS will not be covered by Medicare. This will likely cause some DME providers and Home Health agencies to refuse to accept orders/referrals from these providers.

The ordering/referring policy is being applied universally (i.e. RHCs were not singled out). CMS appears, however, to be enforcing this policy selectively – not for RHCs but for Home Health and DME. What Trailblazers put out was accurate as far as it relates to the services Trailblazers covers. Trailblazers does not process Medicare claims for either DME or Home Health and therefore is not in a position to know what CMS intends to do in these areas. This point was not made clear in their communication and I was concerned that many RHCs would presume that all enforcement of the ordering/referring policy would be delayed. I do not believe this will be the case.

The ordering/referring policy is part of a major effort to combat fraud and abuse. CMS believes – and the data supports this belief – that Medicare is particularly vulnerable for false claims for DME and Home Health. That is why DME and Home Health will initially be the primary enforcement areas. By ensuring that the providers who are ordering DME or referring patients for

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Home Health are properly enrolled providers, CMS hopes to significantly reduce the number of false or fraudulent claims for these services.

The rejection of claims for DME or Home Health from providers not enrolled in PECOS is applicable to any provider, not just to RHC providers. Similarly, the ability of “non-enrolled” providers to continue – for the time being – to order or refer patients for services other than DME or Home Health (i.e. x-ray, lab, etc.) and have those services covered by Medicare is not RHC specific.”

Additionally, someone posted bits and pieces of the CFR which is as follows:

Maybe reading it straight from the CFR will help. Here are some excerpts straight from the **42 CFR Parts 424 and 431** (comments are open on the CFR till July 6th):

“In addition, it adds requirements for providers, physicians, and other suppliers participating in the Medicare program to provide documentation on referrals to programs at high risk of waste and abuse, to include durable medical equipment, prosthetics, orthotics and supplies (DMEPOS), home health services, and other items or services specified by the Secretary.

Effective date: These regulations are effective on July 6, 2010.

...a provider or supplier who is eligible for an NPI must report the NPI on the Medicare enrollment application..... so that the NPI will be added to the provider’s or supplier’s enrollment record in PECOS. A physician who ordered home health services and a physician and an eligible professional who ordered or referred items of DMEPOS or laboratory, imaging, and specialist services is required to maintain documentation for 7 years from the date of the order, certification, or referral and, upon request of CMS or a Medicare contractor, to provide access to that documentation. The

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documentation includes written and electronic documents (including the NPI of the physician who ordered the home health services and the NPI of the physician or the eligible professional who ordered or referred the DMEPOS, laboratory, imaging, or specialist services) relating to written orders or requests for payments for items of DMEPOS and home health, laboratory, imaging, and specialist services. Note that we are clarifying that the documentation includes both written and electronic documentation.”

With all that is happening with PECOS and the need for some answers it may be a good time to listen to the **Rural Open Door Forum on July 20, 2010**. Here is the link with the time and call instructions:

<https://www.cms.gov/OpenDoorForums/Downloads/Rural072010.pdf>

Thanks for reading this and if you have questions or need RHC Cost Reporting, Annual Evaluations, Startups, or other RHC work, please contact us at:

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