
Medicare

Carriers Manual

Part 3 - Claims Process

Department of Health &
Human Services (DHHS)
Centers for Medicare &
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<u>HEADER SECTION NUMBERS</u>	<u>PAGES TO INSERT</u>	<u>PAGES TO DELETE</u>
3010 - 3010 (Cont.)	3-16.5 – 3-16.6 (2 pp.)	3-16.5 - 3-16.6 (2 pp.)

NEW/REVISED MATERIAL--*EFFECTIVE DATE: April 1, 2002*
IMPLEMENTATION DATE: April 1, 2002

Section 3010, Durable Medical Equipment Regional Carrier (DMERC) Billing Procedures, is being updated to clarify that DMEPOS suppliers should bill for a month's worth of DMEPOS on a monthly basis.

DISCLAIMER: The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.

These instructions should be implemented within your current operating budget.

3010. DURABLE MEDICAL EQUIPMENT REGIONAL CARRIER (DMERC) BILLING PROCEDURES

For efficient and effective use of Medicare operational and program resources, durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) suppliers should submit their claims on a monthly basis. Suppliers should bill no more or less frequently than monthly, for a month's worth of DMEPOS, unless another policy that allows billing at a different frequency applies (e.g. diabetic test strips). In the case of continuous periods of service, suppliers should submit their claims in sequence. Suppliers may not automatically mail or deliver durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS). Inform suppliers of DMEPOS about these preferred billing procedures.

A. Frequency of Claims.--Repetitive DMERC services. In consideration of efficient and effective use of Medicare program resources and administrative requirements, where there are cases of known continuous periods of service, DMEPOS suppliers should submit their claims in sequence and should not submit their DMEPOS claims more or less frequently than monthly and for one month's worth of DMEPOS. By limiting the billing to a 30-day cycle, the Centers for Medicare and Medicaid Services (CMS) is saving extensive operational expenditures, and at the same time simplifying the review process. These services will include all items processed by the DMERCs. If a DMERC policy allows suppliers to bill for more than one month's worth of DMEPOS at a time (e.g. diabetic test strips), that policy overrides this requirement.

Be alert to situations where the rental period or treatment plan is completed or discontinued because the beneficiary dies or moves.

B. Suppliers Should be Submit Their Claims in Sequence.-- For items or services a supplier furnishes over an extended period (e.g., capped rental equipment or therapies) instruct suppliers to bill their claims in sequence for each beneficiary. When there is a break in service (e.g. interruption of capped rental or outpatient therapies as the result of an extensive inpatient stay), suppliers should continue sequential billing when the services resume.

C. Automatic Mailing/Delivery of DMEPOS.-- Suppliers/manufacturers may not automatically deliver DMEPOS to beneficiaries unless the beneficiary, physician, or designated representative has requested additional supplies/equipment. The reason is to assure that the beneficiary actually needs the DMEPOS. Contractor review should be done on a post-pay basis.

A beneficiary or their caregiver must specifically request refills of repetitive services and/or supplies before a supplier dispenses them. A supplier may not initiate a refill of an order. The supplier must not automatically dispense a quantity of supplies on a predetermined regular basis.

A request for refill is different than a request for a renewal of a prescription. Generally, the beneficiary or caregiver will rarely keep track of the end date of a prescription. Furthermore the physician is not likely to keep track of this. The supplier is the one who will need to have the order on file and will know when the prescription will run out and a new order is needed. It is reasonable to expect the supplier to contact the physician and ask for a renewal of the order. This is consistent with the DMERC Supplier Manual, which states: "The description of the item (on an order) may be completed by someone other than the physician (most commonly the supplier). However, the physician must review the order and sign and date it to indicate agreement." Again the supplier must not automatically mail or deliver the DMEPOS to the beneficiary until specifically requested.

Inform suppliers of these procedures via your bulletins and training sessions. These procedures will benefit suppliers by helping to maximize claims processing accuracy, and to reduce the likelihood of a postpayment claim denial because the DMEPOS were not medically necessary.

DMERCs must publish this information on their websites and in their next regularly scheduled supplier bulletins, and in their bulletins on an annual basis thereafter.