



Client Alert



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Recent Increase in Medicare Part B Revocations— Minor Mistakes Cause Big Problems for Physician Practices

Times have been tough for physicians and physician groups participating in Medicare, and a recent increase in Part B revocations have created further difficulty and uncertainty. Part B providers should be aware of two CMS practices that have led to recent Part B revocations:

1. revalidation of Part B provider memberships; and
2. site of practice verification.

Relatively minor clerical issues that occur during these practices have led to otherwise avoidable loss of reimbursement for physicians who participate in the Part B program. Physicians and physician groups that are aware of these issues might be able to avoid a Part B revocation and the problems that ensue.

Revalidation Requests

In late 2009, CMS sent revalidation requests to many Part B providers, notifying the intended physician recipients that they needed to complete forms 855i and CMS-588 within 60 days to maintain Medicare enrollment.¹ Unfortunately, many of these request letters did not reach the intended recipients in a timely fashion due to problems with out-of-date addresses, omitted or incomplete names of practitioners, and invalid zip codes. Providers who did not receive the notice letter and therefore were unable to complete the necessary forms within the 60-day period have had their Medicare enrollment revoked. Upon revocation, Part B reimbursements stop immediately, leaving physicians who treat Medicare patients in a financial lurch. Providers who receive a revocation due to a failed revalidation request are barred from re-enrolling in Medicare for a year. However, as we explain below, some limited appeal options are available.

Site Verifications

CMS, through its contractors, has been conducting site verification visits to ensure that the physician practice address listed with Medicare matches the actual practice site. During the site verification visits, CMS contractors survey all practice locations listed in providers' Medicare enrollment forms. If a contractor discovers that a listed practice location is closed, the provider number

¹ The 855i is a basic Medicare application form, and the CMS-588 instructs CMS as to where reimbursements funds should be directed or deposited.

for that practice is revoked. Providers who receive a revocation due to failed site verification are barred from re-enrolling in Medicare for three years. As with revalidation requests, providers have only limited opportunities to appeal a revocation stemming from site verification issues.

Appeal Options: Corrective Action Plans and Requests for Reconsideration

Providers have two appeal options if they receive a revocation notice letter due to a failed revalidation request or site verification. The revocation notice letter gives the provider the right to:

1. submit a corrective action plan (CAP) to the applicable Medicare Administrative Contractor (MAC); and
2. request reconsideration by the MAC.

The timeline for both options begins to run immediately upon receipt of the notice letter.

Providers who choose to submit a CAP must do so within 30 days from the date of the revocation notice letter by completing CAP forms available on the MAC's website. Providers must also submit a signed letter explaining the issues that led to revocation and how the provider has changed its practice to maintain accurate provider enrollment information. The MAC will review the CAP and, if the CAP is denied, the provider may not appeal the decision. If the MAC accepts the CAP, the revocation is rescinded and the provider's billing rights are restored back to the original effective date with no loss of ability to submit claims. Providers may also submit a request for reconsideration of the Part B revocation. With this option, the provider has 60 days from the date of revocation to submit a letter explaining why the revocation was done in error. Currently, it is unclear whether providers have had success with either CAPs or request for reconsideration letters.

Conclusion

Part B revocation can be financially destabilizing, if not devastating, for physician practices that treat Medicare patients. The recent increase in revocations stems from avoidable problems with Medicare enrollment. Physician practices that maintain accurate and up-to-date provider information with Medicare can avoid revocation due to failed revalidation requests and site verifications. If revocation occurs, the provider should act quickly to exercise an appeal option with the MAC so that Part B reimbursements can be reinstated as soon as possible.

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