



Client Alert

Contact Attorneys Regarding
This Matter:

Hedy Silver Rubinger
404.873.8724 - direct
404.873.8725 - fax
hedy.rubinger@agg.com

Diana Rusk Cohen
404.873.8108 - direct
404.873.8109 - fax
diana.cohen@agg.com

Arnall Golden Gregory LLP
Attorneys at Law

171 17th Street NW
Suite 2100
Atlanta, GA 30363-1031
404.873.8500

2001 Pennsylvania Avenue NW
Suite 250
Washington DC 20006
202.677.4030

www.agg.com

CMS to Enforce Electronic Payment Requirement Through the Provider Revalidation Process

Under Section 1104 of the Patient Protection and Affordable Care Act (PPACA), the Medicare program may not make any payments to providers and suppliers after January 1, 2014, unless the payment is by electronic means. Although this requirement for exclusive use of electronic payment is new, existing Medicare regulations require providers and suppliers to agree to receive payment through electronic funds transfer (EFT) at the time of Medicare enrollment.¹ The Centers for Medicare & Medicaid Services (CMS) recently announced an effort to enforce compliance with these electronic payment provisions through the provider revalidation process.

CMS, through its contractors, initiates the revalidation process by contacting providers and asking them to submit updated enrollment information (by completing an updated CMS 855 form or through the Internet-based Provider Enrollment Chain and Ownership System (referred to as PECOS)). Per Section 6401(a) of the PPACA, all providers and suppliers that were enrolled with the Medicare program prior to March 25, 2011, will be required to revalidate their enrollment information under new enrollment screening criteria. New providers, enrolled after March 25, 2011, will not be affected by this requirement. CMS has already begun contacting affected providers to initiate revalidation and will continue doing so on a rolling basis through March 23, 2013.²

At the time of revalidation, CMS will identify any providers that do not currently receive EFT payments and will require them to submit the CMS 588 EFT form with the provider enrollment revalidation application. Providers that do not already receive Medicare payments electronically can begin to plan in advance for this process by updating internal systems and making any other adjustments that will be necessary to ease the transition to exclusive payment through EFT.

¹ See 42 CFR §424.510(e)(1)(2).

² See CMS, MLN Matters, Number SE 1126 (August 10, 2011).

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