



## Client Alert

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### **CMS Rescinds and Replaces Three Transmittals Issued in August on Provider and Supplier Re-enrollment Efforts**

The Centers for Medicare and Medicaid Services (CMS) issued Transmittals 556, 557, and 558 on September 14, 2009 to rescind and replace three of four transmittals issued by the Agency in August 2009. These Transmittals announce the Agency's plan to initiate a limited revalidation process to ensure that CMS only enrolls and reimburses eligible entities.<sup>1</sup> According to the new Transmittals, which become effective on October 23, 2009, CMS still plans to initiate revalidation proceedings to confirm that all organizational Part B suppliers, individual Part B practitioner suppliers, and skilled nursing facilities (SNFs) are properly State certified and licensed. Transmittal 539, which was issued with the three previous (now-rescinded) Transmittals and addressed revalidation efforts for Slide Preparation Facilities specifically, remains effective.

The new Transmittals correct an erroneous reference to the use of Electronic Funds Transfers (EFT) agreements and further clarify that selection of suppliers and providers for revalidation proceedings will be solely based on the absence of a Provider Enrollment, Chain, and Ownership System (PECOS) record. Notably, federal rules and regulations require that each supplier or provider enrolled in the Medicare program resubmit and recertify the accuracy of its enrollment information every five years but allow the Agency to perform off-cycle revalidation efforts as part of a national initiative. See 42 C.F.R. § 424.515; Medicare Program Integrity Manual, Publication 100-08, (PIM) Chapter 10, Section 9.

In the current revalidation initiative, CMS has instructed all carriers, fiscal intermediaries (FIs), and A/B Medicare Administrative Contractors (MACs) to compile a list of the top fifty billers without a PECOS record in each category of the listed providers or suppliers to target for revalidation proceedings. Top billers among individual Part B practitioner suppliers will be identified based on the dollar amount of submitted claims, and top billers among SNFs and organizational Part B suppliers will be identified based upon the amount billed in the prior quarter or calendar year, whichever is easier.

The Division of Provider and Supplier Enrollment (DPSE) anticipates that contractors will mail initial revalidation packages to organizational Part B suppliers and individual Part B practitioners within thirty days of the issuance of the new Transmittals. Initial revalidation letters will be sent to selected SNFs

1. The new Transmittals replace Transmittals 535, 536, and 542, respectively, which were issued August 21, 2009.



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beginning on October 14, 2009. Those contractors responsible for revalidating suppliers or providers in multiple states may stagger mailings and target one State for the issuance of revalidation letters every thirty days.

Pursuant to Section 9 in Chapter 10 of the Program Integrity Manual, providers and suppliers have sixty days to furnish all requested information to contractors, and failure to provide any requested documentation may result in the revocation of billing privileges. Transmittal 558 provides that revalidation proceedings will not require new state surveys for SNFs in particular, and those SNFs who have initially enrolled or have been revalidated in the past five years will not be solicited to participate at this time.

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