

PECOS

Updated November 10, 2009

The Centers for Medicare & Medicaid Services (CMS) recently adopted a new procedure for checking the Medicare enrollment status of physicians ordering durable medical equipment, prosthetics, orthotics and supplies (DMEPOS). That procedure relies heavily on Medicare's relatively new Provider Enrollment, Chain and Ownership System (PECOS), a central repository of physician enrollment data. Unfortunately, the new procedure is having a disruptive effect on many DMEPOS claims and causing considerable confusion, largely because not all Medicare-enrolled physicians are listed in PECOS. The following is a fact sheet that should answer the most frequently asked questions regarding PECOS, and enable practices to take appropriate action, if necessary.

Background

Why was PECOS created?

PECOS was created to better track practitioners to their Medicare profile via their NPI number (s). Prescribers need to be uniquely identified on all claims for items and services when a supplier bills for ordered prescriptions or fills a referral request. Claims generated by referral, prescription, or order must contain the name of the referring/ordering provider and his or her NPI.

What is PECOS?

PECOS is the method by which your physician profile is captured by your Medicare carrier. This can be accomplished through a paper-based system (e.g., CMS 855i form, by which your local Medicare carrier automatically enters you into PECOS) or via the Internet (e.g., by your office staff). Either approach results in your enrollment in Internet-based PECOS.

Internet-based PECOS is available to physicians, non-physician practitioners, and providers in all States and the District of Columbia. PECOS is de-

signed to allow physicians, non-physician practitioners, and providers the option of enrolling, making a change in their Medicare enrollment information, viewing Medicare enrollment information, or tracking the status of their Medicare enrollment applications throughout the Internet submission process.

IMPORTANT POINT:

Any physician (e.g., DPM) who, either by paper application or via the Internet:

- 1) Enrolled in Medicare subsequent to 2003; or*
- 2) Updated their Medicare enrollment data since 2003*

has automatically had their information place into the PECOS database. If the above describes you, you should verify your PECOS status by contacting your local Medicare carrier's Provider Relations Department.

It is important to note that, unlike Medicare physician providers, DME suppliers currently do not use PECOS to enroll in Medicare. The National Supplier Clearinghouse has a separate application process which does not use PECOS.

What you need to know about PECOS

When is the PECOS requirement for eligible prescribers going into effect?

This requirement is being implemented in two phases, October 1, 2009 through January 3, 2010, and January 4, 2010 and beyond.

Phase I: October 1, 2009. The DME Medicare carriers begin receiving, on a daily basis, a database from PECOS listing the physicians and non-physician practitioners who are in specialties eligible

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to order or refer under the Medicare program, and are currently in PECOS. During Phase I, when a claim is received, the DME carrier will check to see if the referring/ordering provider's identifiers are properly listed on the claim and in PECOS. If the answer is "yes," the claim will proceed for processing.

In Phase I, if the ordering/referring provider information is not on the claim, the claim will be denied. If the ordering/prescribing/referring physician is not in the PECOS database, the claim will be paid, but a warning notification will be sent to the supplier.

Phase 2: January 4, 2010. In Phase 2, like in Phase 1, if the DME claim does not include the identifiers of the ordering/referring provider, the claim will not be paid. If the ordering/referring provider's information is on the claim, your Medicare carrier will verify that the ordering/referring provider is in the PECOS database.

If the ordering physician's name is in PECOS, the claim will be paid. If the ordering physician's name is not in the PECOS data base, the DME claim will be rejected (not paid). This is different from Phase 1, where the supplier received a notification warning, but the claim was paid.

In both Phase I and Phase 2, the carrier will, first, be verifying the National Provider Identifier (NPI) of the ordering/referring provider against that listed in the PECOS database. If a match is found, the carrier will then compare the first letter of the first name and the first 4 letters of the last name of the matched record. NOTE: These must match exactly. The ordering/referring provider's name must be in UPPER-case syntax in boxes 17 of the CMS 1500 form.

Who typically is the prescriber on podiatrists' DMEPOS claims?

Most podiatrists who dispense and bill for DME items such as therapeutic shoes are also the prescriber of the item. If this is the case, the podiatrist's name and individual type 1 NPI number

should be placed on the claim in boxes 17 and 17b as the ordering/referring provider

I am receiving the notification/warning on my DME claims mentioned above. What should I do?

If you are using your own NPI number as the prescribing physician, this indicates either

- Your local Medicare profile is not entered into the PECOS system; or
- Your NPI number is not properly linked to your Medicare profile; or
- The spelling of your name in Box 17 of the CMS form does not match that exactly of that in your NPI file. Keep in mind that your name must be spelled in all **UPPER-** case letters.

You should contact your Medicare carrier's Provider Relations Department immediately for further information and resolve any open issues.

I have been using a referring/ordering physician's name and NPI other than my own on my claims. Is that a problem?

Unless that referring/ordering provider is a provider in your group practice, you should not be using an outside referring/ordering provider on your DME claims. If you do, it implies that you are not providing DME to your own patients, but are acting as a commercial supplier – filling other providers' prescriptions/orders. If that is the case, you would no longer be exempt from the requirement of accreditation or exempt from obtaining a surety bond. Podiatrists with Medicare supplier provider numbers are currently exempt from both accreditation and surety bond requirements only when supplying DMEPOS (Durable Medical Equipment, Prosthetics, Orthotics, and Supplies) to their own patients within the scope of their practice.

Is there a Web site where I can verify my or another physician's PECOS status?

There is currently no easy method to verify

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physician enrollment in PECOS (as there is with verifying an NPI). CMS has implied that a verification system may be ready by January 2010.

CMS notes that providers who order or refer may want to verify their enrollment in PECOS. They may do so by accessing Internet-based PECOS at <https://pecos.cms.hhs.gov/pecos/login.do> on the CMS website, or by calling their local Medicare carrier's Provider Relations Department.

What do I do if I don't bill for DME?

This new policy will eventually have a financial impact on physicians who do not bill for DME. All local Medicare carriers will eventually require them to re-enroll in Medicare through the PECOS data base. Your ability to refer patients for radiology and lab tests will be impacted as Medicare will not pay the radiologist or lab for these examinations.

Can I continue to prescribe DME if I am not enrolled in PECOS?

As of January 4, 2010, if your Medicare data is not entered into PECOS, you will no longer be eligible to prescribe DMEPOS. This means Medicare will no longer reimburse suppliers for any DME you prescribe.

Can I use an advance beneficiary notice (ABN) on my DME claims in order to get paid if the prescriber (including me) is not registered with PECOS?

The most recent CMS bulletin states that an advance beneficiary notice (ABN) cannot be used in the case where the prescriber is not listed in PECOS.

Where can I go for more information?

- 1) CMS PECOS Web site:
http://www.cms.hhs.gov/MedicareProviderSupEnroll/04_InternetbasedPECOS.asp
- 2) CMS MedLearn Article:
<http://www.cms.hhs.gov/MLN MattersArticles/downloads/MM6421.pdf>
- 3) APMA Web site:
http://www.apma.org/Members/ReimbursementIssues/CACPIAC/2009-Meeting-Details/2009-Meeting-Presentations_1/DME-Presentation.aspx
- 4) Contact your local Medicare carrier.

What is APMA doing to address this issue?

APMA is monitoring the situation and is very concerned about the timing. We are working with other organizations who also have affected members. Follow APMA eNews and other APMA communications to track updated information and latest developments.