

# How to Survive a DME Inspection

It's actually less painful than you think.

BY PAUL KESSELMAN, DPM

**A** very recent article in *DME for DPMs* provided a general overview of what one should expect during a DME inspection. As part of the normal course of the supplier revalidation process, an investigator from the National Supplier Clearinghouse (NSC) Supplier Audit and Compliance Unit (SACU) inspected this author's practice. As the previous column noted, the inspector was quite courteous, efficient, and was looking for evidence of compliance with several very basic regulations including (but not limited to):

1) Was there signage of hours of operation and was this consistent with the 855S application? The exterior door had a sign posted on the window noting that my office hours were "By

Appointment Only", which was consistent with the hours information in the 855S application. A photograph of the sign was taken. Thus no issues.

tients were photographed. Again no issues.

3) Was there a visible copy of the current Supplier Standards posted

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2) Was the office a real physical location which could provide services to patients? That is, was there a phone, a reception area, and rooms where patients could receive services? Of course the answer was "yes." He took several pictures of these areas. No pa-

somewhere in the office where patients could see it? Yes. No issues; and

4) Was there a physical inventory? Yes, though minimal as compared to a commercial supplier (e.g., pharmacy, shoe store, etc.). There was a visible rack of therapeutic shoes, cam walk-

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ers, and other off-the-shelf DMEPOS in addition to a small number of shoes and AFOs waiting for delivery. A brief explanation of providing a lot of custom work was offered. Again no issues.

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In essence, what the inspector was looking for was evidence that the supplier is a real operation with a physical working space where DME services can be provided. Thus, to reassure readers, this is a painless process if you follow some basic rules of courtesy, respect, and are prepared (see *DME for DPMS* April/May 2015 column).

After the formal inspection was over and an assurance was made of achieving a passing grade, the inspector offered to answer some questions. The answers were quite

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educational and worth sharing. Here are the salient points of our discussion:

1) Suppliers are not required themselves to be in their offices during the hours designated in their application. He understood that physicians often see patients in various locations other than their offices; that we are often called out during hours designated on the 855S application for a variety of reasons. However, he pointed out that during those hours, it would be acceptable for a staff member who is knowledgeable of your office's practices to be available.

2) A sign must be posted why someone is not in the office during designated hours (e.g., because of religious observance, weather issues, illness, etc.). An assurance was made that a single absence during an attempted inspection would not result in termination of a supplier's NSC provider number. The SACU (and his) normal practice would be to leave a note alerting you of an attempt to inspect and that a follow-up inspection would be attempted at a non-specified time (as designated in your 855 application).

3) Physical Inventory: There is no magic minimal physical inventory that must be provided. A simple explanation that you order based on demand with some samples is sufficient.

4) If you designate "By Appointment", he would attempt a first inspection during your appointment hours designated on your application. If, for example, your application stated "By Appointment Only" Thursdays 12-4, he would come unannounced during those hours. If no one was there, he would leave a note, and follow up with a phone call in advance to find out when you would next be in your office. While no specified time would be made

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for an appointment, he would attempt a second inspection during those designated hours.

That is somewhat of a departure from what was previously posted in this forum, yet something worth noting. That is, if you are contacted, be sure that you, the provider of services, are in the office (if possible) during the business hours of operation for inspection. If not possible due to other obligations, make sure you have someone in the office capable of providing the inspector with the information they require.

5) Types of inspections: There are two basic types of inspections. The first (and more common) type is an ob-

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servational visit. This is the type of inspection most spoken and read about. These are typically associated with initial enrollments and revalidations. This type of inspection is usually brief, lasting no longer than five to ten minutes. The second type is reserved for suppliers requiring further

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scrutiny. This may include suppliers selected at random as part of the CMS Quality Control Audit Process.

It may also be conducted because a supplier failed to submit a claim for a lengthy period of time (e.g., one or more years); or it could be initiated because a supplier has a sudden very large inordinate increase in business; or there is suspected fraud and/or abuse. One could expect this latter type of inspection to last a minimum of an hour, and be more intense. The inspector would ask for documents to support delivery and compliance with all the applicable “Supplier Standards”. For podiatrists, this could include providing copies of vendor notices, complaint protocols and logs, etc. for a specified number of patients.

6) Entitlement—He lastly offered that physicians (including podiatrists) in a specified area of the metropolitan NYC area were often very eager and cooperative, whereas in other metropolitan NYC areas had a sense of entitlement, often showing outright resentment toward the inspector’s intrusion. This he found to be challenging to the performance of his duties. While this type of behavior by physicians was unacceptable, it was understandable and likely due to:

- A) A lack of knowledge by physicians of the NSC’s role;
- B) No similar inspection by the local Medicare carrier during an initial enrollment or revalidation;
- C) A sense of intrusion and interruption of the daily work flow for the physician’s office.

In order to foster an improved relationship between the NSC and physicians and to lower the anxiety levels for all, an offer was extended to have this inspector proofread this article for accuracy (which he graciously did). An invitation was also extended for him to attend a state meeting, as does our regional DME MAC and local Medicare MAC. This was graciously accepted (pending the approval of NYSPMA and the NSC). Previous opportunities to interact with the NSC at APMA CAC and other meetings have been an eye-opening experience for the difficult jobs they have at combating fraud and abuse.

To summarize, an inspection for the overwhelming

majority of podiatrists is not something to be unduly concerned about. Be courteous to the inspector, have signage (in accordance with your 855S application), a copy of the current Supplier Standards, and some inventory and display of product. Providing this to the investigator should result in a successful conclusion to your inspection in only a few minutes. **PM**

***Disclaimer:** I would like to thank the SACU inspector for his contributions to this article. However, the contents of this article are not to be interpreted as approved or endorsed by the SACU, NSC or any CMS agency. For an official position of the NSC on inspections and other supplier enrollment issues, the reader is urged to contact the NSC at [www.palmetto.com/nsc](http://www.palmetto.com/nsc).*



**Dr. Kesselman** is in private practice in NY. He is certified by the ABPS and is a founder of the Academy of Physicians in Wound Healing. He is also a member of the Medicare Provider Communications Advisory Committee for several Regional DME MACs (DMERCs). He is a noted expert on durable medical equipment (DME) for the podiatric profession, and an expert panelist for Codingline.com. He is a medical advisor and consultant to many medical manufacturers.