

Enrollment Issues Facing DMEPOS Providers

It's important to keep up with the latest requirements.

BY PAUL KESSELMAN, DPM

Over the past several months, there have been numerous meetings with all the DME Medicare contractors with all four DME MAC payors and many of the other DME MAC contractors involved with Medicare DME claims processing, including the two new DME Provider Enrollment Contractors, NPE East and West. In November 2022, the NPE carriers replaced the National Supplier Clearinghouse (NSC) dividing the responsibility of DMEPOS enrollment based on the supplier's enrollment location, East or West of the Mississippi River. These meetings have presented the opportunity to dialog with the Carrier Medical Directors, Policy Officers, auditors, and educational officials about the enrollment issues facing DMEPOS providers.

Prior to attending the March 2023 Med Trade meeting, there were reports that the DMEPOS suppliers' re-enrollment with the Novitas (NPE East) was either delayed or outright denied for lack of contracts with their vendors. Their concerns will soon become yours and is the subject for further analysis in this month's column.

It has become apparent that both NPE contractors are now enforcing Supplier Standard Number 4, requiring DMEPOS Suppliers to have contracts with vendors, specifically when they are filling orders not currently within their inventory. This had previously been interpreted as a requirement to provide contracts upon request of the DMEPOS inspector. Now, however, suppliers appear to

be required to submit active vendor contracts to the enrollment carrier at the time their enrollment application is submitted. This is in addition to having those contracts available for review by the inspector during a site visit.

The requirement to submit contracts to the enrollment carrier came as no surprise to members of the

Reaching out to Vendors

As a consequence of this new requirement, suppliers need to ask themselves:

1) Do I have contracts with my various vendors, including those who provide me with all the categories of DMEPOS my practice provides?

2) How do I know if those contracts are compliant with the en-

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NSAC (a council of Medicare suppliers who interact with the NPE). The requirements to become and maintain DMEPOS provider status are now being more strictly enforced to reduce fraud and abuse in the DME industry. Because DMEPOS is considered at high risk for fraud, all new DMEPOS providers may now need to undergo a criminal background check and fingerprinting as a condition of enrollment.

The enrollment carriers failed to respond as to why a change in enforcement from the inspector to the enrollment carrier was unannounced prior to enforcement. Had this announcement been announced prior to enactment, several application delays or rejections could have been avoided. Most large national vendors and other large commercial suppliers outside the NSAC were unaware of this new enforcement requirement.

rollment requirements and Supplier Standards?

Before your next enrollment period, if you do not have contracts with your vendors, you need to immediately reach out to them and have them provide you with a contract. At a minimum, the contract requires both your names and addresses, the general types of products they provide to your practice, delivery and credit terms, warranty information, the date of the contract, etc.

Medicare has no minimal credit terms the vendor must offer you. However, embedded in many of the Supplier Standards, there are requirements which must be met by your vendor and your practice. The compliance department of most large national vendors likely already has vetted their contracts to ensure that they are compliant with the Suppli-

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er Standards. Frequently, start-up or small companies and, from time-to-time, even large companies may fail to provide you with a valid vendor contract.

Ultimately, it is up to you to comply with all Supplier Standards affecting your practice. This also requires vendor contracts with companies which may not provide Medicare-reimbursable devices (e.g., foot orthotics).

Orthotic Lab Contracts

One may ask why the need for a contract from a foot orthotic labora-

tory if you are filling orders from inventory or purchasing the items to fill orders from another company to fulfill the order. There appears to be a clear consensus from the NPE carriers that any laboratory providing you, the supplier, with a specific device for a specific patient in mind should provide you with a contract. The rationale here is that custom fabricated devices are orders individually fulfilled by a laboratory and thus are not from your inventory. The same may be true if you order a custom fit device for a specific patient on an individual basis.

The question about mass market off-the-shelf devices is a bit more

own inventory, a practice needs to have contracts with all their vendors, regardless of whether mass-produced or custom fabricated.

Multiple Classifications, Multiple Locations

Both NPEs made it clear that if your practice provides DMEPOS from a variety of product classifications (e.g., therapeutic shoes, orthoses, and surgical dressings), they will be more scrupulous re: your application, requiring a review of contracts from each of those product categories prior to approving your enrollment.

It is important to remember that because enrollment is site-specific, vendor contracts need to be effective for each DMEPOS-enrolled location. That is, a vendor providing DMEPOS to a practice with 10 locations may have a single contract with that practice, but each of the ten locations must be listed on that contract.

Conclusion

In summary, Supplier Standard Number 4 requires that if a supplier is not providing DMEPOS from their own inventory, they are required to have a contract with a vendor who is providing such products. In the past, that simply meant having a contract in your compliance manual. The NPE carriers both East and West have now taken a further step, requiring copies of those vendor contracts be submitted at the time of initial or re-enrollment. Failure to do so may result in a delay or worse, a rejection of your application. It is prudent for DMEPOS providers to have an expert review their vendor contracts to ensure that they are compliant with all the Supplier Standards. **PM**

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tory if Medicare does not pay for foot orthotics? The rationale for complying with this regulation are:

The Supplier Enrollment Form requires you to choose the types of DMEPOS your practice will provide. This is based on the fabrication process (custom fabricated, custom fitted or off-the-shelf) rather than on anatomical definition. This can be found on the 855S form, Section 2 "Identifying Information", paragraph 4: "Products and Services Furnished by this Supplier. Because foot orthotics can fit under all of these categories, despite the rarity of circumstances where foot orthotics are covered, a contractual relationship with a vendor providing foot orthoses is required."

Secondarily, there are times where submission of a claim for foot orthosis to Medicare for rejection purposes is needed (modifier GY) in order to obtain a PR (Patient Responsibility) remark. This allows the claim to be forwarded to a secondary carrier for payment or to notify the patient that foot orthoses are not covered by Medicare.

This section of the application also asks within each product cat-

egory and where common sense may unravel. One NPE carrier interpreted the regulation as only those DMEPOS providers directly manufacturing devices can truly claim that their orders are filled from their own inventory. The other NPE carrier appears to have a more liberal interpretation claiming that devices routinely stocked in your office and provided to patients are considered your own inventory.

Direct to Patients

For those who have an outside vendor drop ship surgical dressings or other DMEPOS directly to their patients, both NPEs agree this is no different than that of a custom device. That is for all drop shipment devices, a provider is required to have a vendor contract compliant with the Supplier Standards.

The NPE East and West carrier program managers at Medtrade agreed to forward the issue on exactly what they mean by inventory onto CMS for further clarification. The prudent suggestion at this time is that until CMS provides clear clarification, regarding what exactly is your



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