



## NATIONAL ASSOCIATION OF CHAIN DRUG STORES

August 10, 2009

SANDRA BASTINELLI, BSN, MS, RN  
SENIOR TECHNICAL ADVISOR  
PROGRAM INTEGRITY GROUP, OFFICE OF FINANCIAL MANAGEMENT

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### STATUTORY AUTHORITY

- ▶ The Medicare Modernization Act (MMA) required the development of quality standards to be used by the deemed accreditation organizations for **DMEPOS**.
- ▶ The quality standards are required for all **DMEPOS** suppliers no matter what products the supplier is furnishing:
  - The quality standards include administrative, financial, human resource, consumer service, information and performance improvement management.
  - The quality standards also include the intake, assessment, delivery, training and the follow-up process.
- ▶ If the supplier furnishes any respiratory, **complex** rehab or orthotics **and/or** prosthetics, there are additional standards that the supplier has to meet.

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### PHARMACY APPLICATIONS

- ▶ A pharmacy who is not billing Medicare Part B for one of the covered items, does not need to be accredited for DME.
  - They will be allowed to continue to bill under Part B for drugs.
- ▶ DME infusion pumps are included in the accreditation statute.
- ▶ If the pharmacy bills for any DME, including pumps, they will need to be accredited by September 30, 2009.

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## CHALLENGING STANDARDS

- ▶ **PERFORMANCE IMPROVEMENT**
  - Why is it necessary?
  - How to make it simple
  - Use it for your business and marketing
- ▶ **CHAIN COMMUNICATION – ADMINISTRATION**
  - **How** does the communication flow up and down and across the organization?
- ▶ **COMPLAINTS TRACKING**
- ▶ **STAFF TRAINING ON FEDERAL REQUIREMENTS**
  - Use any media that is the easiest
  - **Ensure** that the personnel understood the training
    - TEST AND DOCUMENT

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## ENROLLMENT SUPPLIER STANDARDS VS. DMEPOS QUALITY STANDARDS

- ▶ In order to meet the quality standards, you must first need to meet the enrollment supplier standards.
  - The accreditation organization will establish compliance with the supplier standards along with the quality standards.
- ▶ There are 26 supplier standards.
  - These are basic requirements for your business.
- ▶ Supplier standards #4, #12, #14 are **described** in greater depth in the quality standards under Section II and the Appendices for Respiratory, Complex rehab/wheelchairs and Orthotics and Prosthetics.

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## NON-ACCREDITED SUPPLIERS

- ▶ For those suppliers who choose not to become accredited at this time, they will need to submit an amended CMS-855S enrollment application which reflects their voluntary termination.
  - This will prevent the supplier from being revoked and subsequently barred from the Medicare program, as cited in 42 CFR Section §424.535 (C).
- ▶ The CMS 855-S can be found at:  
<http://www.palmettogba.com/nsc>
  - The **application** can be found under "Top Areas of Interest"

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## SUPPLIER STANDARDS- SUBCONTRACTING

- ▶ The **enrollment** supplier standards identify the Medicare services a subcontractor may perform:
  - Delivery and instruction on use of Medicare-covered item: 42 CFR § 424.57 (c)(12)
  - Maintenance and Repair of rented equipment: 42 CFR § 424.57 (c)(14)

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## WHERE WE ARE TODAY

- ▶ The largest group not accredited or pending accreditation are the pharmacies.
- ▶ There are over 51,000 suppliers either accredited or pending accreditation.
- ▶ It takes on the average of 6 months **to complete** the accreditation process.

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## DMEPOS ACCREDITATION RESOURCE

The DMEPOS Quality Standards and the ten deemed Accreditation Organizations are published on the CMS website at:

[www.cms.hhs.gov/medicareprovidersupenroll](http://www.cms.hhs.gov/medicareprovidersupenroll)

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## DMEPOS SURETY BOND (CMS-6006-F)

**Final Rule published in the Federal Register on January 2, 2009.**

- › Requires \$50,000 bond for each National Provider Identifier (NPI).
- › Since DMEPOS suppliers must obtain an NPI by practice location, except for sole proprietorships, an organizational DMEPOS supplier with 20 locations would be required to secure a \$1 million surety bond.
- › This rule establishes an elevated surety bond amount of more than \$50,000 if the DMEPOS supplier poses a significantly higher than average risk to the Medicare Trust Funds.
  - We established elevated amounts of the surety bond at a rate of \$50,000 per occurrence when a DMEPOS supplier has a final adverse action.

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## DMEPOS SURETY BOND (CMS-6006-F)

**DMEPOS suppliers exempt from bonding requirement:**

- › Government-owned suppliers.
- › State-licensed orthotic and prosthetic personnel in private practice making custom made orthotics and prosthetics if the business is solely-owned and operated by said personnel and is billing only for orthotics and prosthetics and supplies.
- › Physicians and non-physicians practitioners if the DMEPOS items are furnished only to his or hers patients as part of his or hers professional service.
- › Physical and Occupational Therapists if: (1) the business is solely-owned and operated by the therapist, and (2) if the DMEPOS items are furnished only to his or her patients as part of his or her professional services.

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## DMEPOS SURETY BOND (CMS-6006-F)

- › Implementation Dates:
  - May 4, 2009 for newly-enrolling suppliers (including those currently-enrolled suppliers undergoing a change of ownership).
  - All other currently-enrolled suppliers must obtain and submit a copy of the surety bond to the National Supplier Clearinghouse by October 2, 2009.
  - It takes approximately 30 days, but can take weeks to be issued a bond.
- › OMB approved revisions to the DMEPOS enrollment application, the CMS-855S. The revised CMS-855S is posted on the CMS website.
- › FAQ'S posted at: <http://www.palmettogba.com/nsc>
  - Click on the Frequently Asked Questions link, followed by the Surety Bond Requirements link.

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## CONTACT INFORMATION

For Accreditation:

Sandra Bastinelli  
(410) 786-3630

[sandra.bastinelli@cms.hhs.gov](mailto:sandra.bastinelli@cms.hhs.gov)

For Surety Bonds:

Frank Whelan  
(410)-786-1302

[frank.whelan@cms.hhs.gov](mailto:frank.whelan@cms.hhs.gov)

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