



Proof of Delivery Documentation Requirements

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This MLN Matters Article is intended for physicians, providers, and suppliers billing Durable Medical Equipment Medicare Administrative Contractors (DME MACs) for items and services provided to Medicare beneficiaries.

WHAT YOU NEED TO KNOW

CR10324 simplified and clarified the Centers for Medicare & Medicaid Services' (CMS) requirements for proof of delivery and documentation necessary to support compliance for payment purposes. These proof of delivery requirements (including equipment examination requirements for newly eligible beneficiaries) are in revised Medicare Program Integrity Manual, Chapter 4, Section 26.

WHAT ARE THE KEY POINTS OF THESE REQUIREMENTS?

Supplier Proof of Delivery Documentation and Equipment Examination Requirements

Suppliers must maintain proof of delivery documentation in their files for 7 years (starting from the date of service). Section 1833(e) grants MACs the authority to request any information necessary to determine the amounts due. This includes proof of delivery to verify that the beneficiary received the Durable Medical Equipment Prosthetic, Orthotics, & Supplies (DMEPOS) item and to determine the amounts to pay the provider for the item. Proof of delivery is a supplier standard as noted in 42 CFR Section 424.57(c)(12).

Initial Delivery:

There are three methods of delivering items of DMEPOS to beneficiaries:

- Supplier delivering directly to the beneficiary or designee
- Supplier utilizing a delivery/shipping service to deliver items
- Delivery of items to a nursing facility on behalf of the beneficiary

Upon receipt, the designee (who may not be any party with a financial interest) must legibly sign and accept the item(s). If the signature is not legible, the supplier/shipping service should note the name of the designee on the delivery slip. The beneficiary, designee, or the supplier should also enter the date of delivery. The date that the beneficiary got the DMEPOS item should be the date of service on the claim. If the supplier uses a delivery/shipping service, the supplier may use the shipping date as the date of service on the claim. The shipping date can be the date the delivery/shipping service label is created or the date the item is retrieved for delivery.

Newly Eligible Beneficiaries:

Often a person who is newly eligible for the Medicare Fee-For-Service (FFS) program will have one or more items of durable medical equipment in their home at the time of Medicare eligibility. These items may have been delivered to the new beneficiary months or even years before the beneficiary became eligible for Medicare, when perhaps another insurer paid for the durable medical equipment. Medicare does not automatically assume payment for a DMEPOS item that was covered prior to a beneficiary becoming eligible for the Medicare FFS program. When a beneficiary keeps a DMEPOS item received prior to Medicare eligibility, upon entering the Medicare program and seeking coverage, the supplier must ensure all Medicare requirements for payment are met.

Before Medicare begins to make payment, the supplier must examine the equipment and ensure it is in proper working order. Medicare contractors will consider the proof of delivery requirements met for this type of beneficiary if the supplier has obtained a statement, signed and dated by the beneficiary (or beneficiary's designee), that the supplier has examined the item. The supplier must also attest to the fact that it meets Medicare requirements. DME MACs educate the supplier community that they must submit a claim for the item and the necessary documentation to support Medicare payment, upon request, including an attestation that the supplier examined the equipment and found it to be in proper working order. The first day of the first rental month in which Medicare makes payment for the item serves as the start date of the reasonable useful lifetime and period of continuous use. This is true even if there is no change in the beneficiary's medical condition.

Compliance:

If the Unified Program Integrity Contractor (UPIC) is concerned that a supplier billed Medicare for an item that a beneficiary did not receive (such as a complaint from a beneficiary about non-receipt), the UPIC will request proof of delivery documentation from the supplier. In other instances, compliance with proof of delivery may be required as a condition of payment, and must be available to the DME MACs, Recovery Auditors, the Supplemental Medical Review Contractor (SMRC), and Comprehensive Error Rate Testing (CERT) medical review contractor on request.

Contractors can deny payment for any items that do not have proof of delivery (or an attestation that the equipment for a newly eligible beneficiary is in proper working order) from the supplier. Medicare will recover any overpayments because of such denied claims.

Suppliers that consistently do not provide documentation to support proof of delivery of billed items may be referred to the Office of Inspector General (OIG) or National Supplier Clearinghouse (NSC) for investigation and/or imposition of sanctions. We remind suppliers that non-compliance with supplier standards may result in revocation from the Medicare program.

ADDITIONAL INFORMATION

The official instruction, CR10324, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R750PI.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

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January 17, 2019	Initial article released.

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