

Related Change Request (CR) #: 3845

MLN Matters Number: MM3845

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Related CR Transmittal #: 133

Effective Date: January 1, 2005

Implementation Date: April 3, 2006

## *MMA - Enrolling Indian Health Service (IHS) Facilities as Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Suppliers*

**Note:** This article was revised to contain Web addresses that conform to the new CMS website and to show they are now MLN Matters articles. All other information remains the same.

### Provider Types Affected

Indian Health Services (IHS) facilities wishing to enroll as Medicare suppliers

### Provider Action Needed



#### **STOP – Impact to You**

Section 630 of the Medicare Modernization Act (MMA) permits IHS facilities to directly bill for itemized DMEPOS as of January 1, 2005. Previously, IHS facilities could not directly bill Medicare for DMEPOS.



#### **CAUTION – What You Need to Know**

This article is based on information from Change Request (CR) 3845, which provides Medicare manual instructions describing how Indian Health Service (IHS) facilities enroll as DMEPOS suppliers.



#### **GO – What You Need to Do**

See the *Background* and *Additional Information* sections of this article to find out further details regarding these changes.

### Background

The Medicare Modernization Act (MMA, Section 630) permits Indian Health Service (IHS) facilities to directly bill for itemized Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) as of

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January 1, 2005. Previously IHS facilities could not directly bill Medicare for DMEPOS. The MMA also provides for all Medicare Part B services to be billed including all preventive services.

To enable direct billing of DMEPOS, an IHS facility must enroll with the National Supplier Clearinghouse (NSC) and secure a Medicare supplier billing number. For enrollment purposes, Medicare recognizes two types of IHS facilities:

- Those facilities wholly owned and operated by the IHS; and
- Facilities that are owned by the IHS but tribally operated or totally owned and operated by a tribe.

### *The Application*

To enroll, the IHS facility must complete a Medicare Supplier Enrollment Application: CMS-855S Application for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Suppliers. CMS-855S must be completed in accordance with its associated instructions, except as follows:

- Facilities that are totally owned and operated by the IHS are considered a governmental organization. An Area Director of the IHS must sign the Section 15 Certification Statement of the CMS – 855S, be listed in Section 6 of the form and sign the letter required by Section 5 of the form, which attests that the IHS will be legally and financially responsible in the event that there is any outstanding debt owed to CMS.
- Facilities that are tribally operated are considered tribal organizations. The Section 15 Certification Statement of the CMS – 855S must be signed by a tribal official who meets the definition of an authorized official in accordance with the page 2 definitions shown on the CMS – 855S. The same authorized official must be listed in Section 6 of the CMS – 855S and must sign the letter required by Section 5 of the form which attests that the tribe will be legally and financially responsible in the event that there is any outstanding debt owed to CMS.

### *Facility Requirements*

IHS facility requirements include the following:

- **Site visits** will be required for all IHS facilities enrolling for DMEPOS. This includes all hospitals and pharmacies. All IHS facilities enrolled by the NSC must meet all required standards as verified by the review procedures for all other DMEPOS suppliers except as discussed in this article.
- All IHS facilities, whether operated by the IHS or a tribe, must be exempt from the comprehensive liability **insurance requirements** under 42 CFR Sec. 424.57(c)(10).
- All IHS facilities, whether operated by the IHS or a tribe, will be exempt from the requirement to provide any **state licenses** for their facility/business. For example, if the DMEPOS supplier indicates on its application that it will be providing hospital beds and is located in a state that requires a bedding license, such licensure is not required for Medicare enrollment.

However, if they provide a DMEPOS item that requires a licensed professional in order to properly provide the item, the IHS facility must provide a copy of the professional license. The licensed

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professional can be licensed in any state or have a federal license. For example, a pharmacy does not need a pharmacy license, but must have a licensed pharmacist.

### *Assignment of Specialty Codes and Appropriate Billings*

Upon successful enrollment, the NSC will provide identifiers identifying IHS enrollments and IHS hospitals in order to facilitate proper reimbursement by durable medical equipment regional carriers (DMERCs).

The NSC will enroll all Indian Health Service (IHS) facilities including all hospitals and clinics (free standing or hospital based). This includes all facilities whether wholly owned and operated by the IHS or tribally owned and/or operated. For any IHS facility that enrolls, the NSC will issue a supplier number with:

- An A9 specialty code for newly enrolled IHS DMEPOS suppliers which are not hospitals; or
- An A9/A0 specialty code for newly enrolled IHS DMEPOS suppliers which are IHS/tribal hospitals and hospital based facilities to include Critical Access Hospitals (CAHs).

The specialty indicator will ensure that the claims are paid appropriately by either the FI or DMERC. IHS facilities with a specialty code of A9/A0 must submit claims for prosthetics, orthotics, and surgical dressings to their Medicare FI for payment and not to a DMERC.

### Implementation

The implementation date for CR3845 is April 3, 2006.

### Additional Information

IHS facilities that are tribally owned and/or operated are advised that their Medicare beneficiaries are not responsible for deductibles or coinsurance. However, Medicare still pays these IHS facilities a payment that is at 80 percent of the DMEPOS fee schedule. The remaining 20 percent will be shown as a CO denial on the remittance advice with an adjustment reason code of B6 indicating *"This payment is adjusted when performed/billed by this type of provider, by this type of provider in this type of facility, or by a provider of this specialty."*

For further details, please see the official instruction issued to your DMERC/carrier/intermediary regarding this change. That instruction may be viewed by going to

<http://www.cms.hhs.gov/transmittals/downloads/R133PI.pdf> on the CMS website.

If you have any questions, please contact your DMERC/carrier/intermediary at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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