CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-08 Medicare Program Integrity	Centers for Medicare & Medicaid Services (CMS)
Transmittal 306	Date: October 2, 2009
	Change Request 6639

SUBJECT: Site Verifications

I. SUMMARY OF CHANGES: A new section is being added to the provider enrollment manual regarding onsite inspections. Contractors shall ensure that physicians, non-physician practitioners and other provider and suppliers are operating at the practice location furnished to Medicare and that providers and suppliers are in compliance with applicable regulation provisions for their provider or supplier type.

NEW / REVISED MATERIAL
EFFECTIVE DATE: November 2, 2009
IMPLEMENTATION DATE: November 2, 2009

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	10/Table of Contents
N	10/22/Site Verifications
N	10/22.1/Site Verifications to Determine Operational Status
N	10/22.2/Site Verifications To Determine If a Provider or Supplier Meets or Continues To Meet The Regulatory Requirements For Their Provider or Supplier Type
N	10/22.3/National Supplier Clearinghouse (NSC)

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers:
No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

SECTION B: For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question

and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Business Requirements
Manual Instruction

Unless otherwise specified, the effective date is the date of service.

Attachment - Business Requirements

Pub. 100-08	Transmittal: 306	Date: October 2, 2009	Change Request: 6639

SUBJECT: Site Verifications

Effective Date: November 2, 2009
Implementation Date: November 2, 2009

I. GENERAL INFORMATION

A. Background: A new section is being added to the provider enrollment manual regarding site verifications. Contractors shall ensure that physicians, non-physician practitioners and other provider and suppliers are operating at the practice location furnished to Medicare and that providers and suppliers are in compliance with applicable regulation provisions for their provider or supplier type.

B. Policy: Per 42 CFR 424.510(d)(8) the CMS reserves the right, when deemed necessary, to perform on-site inspections of a provider or supplier to verify that the enrollment information submitted to CMS or its agents is accurate and to determine compliance with Medicare enrollment requirements. Site visits for enrollment purposes do not affect those site visits performed for establishing compliance with conditions of participation.

II. BUSINESS REQUIREMENTS TABLE

Use"Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6639.1	Contractors shall only conduct site verifications if CMS has previously issued formal guidance or if CMS issues instructions to conduct a pre or post-enrollment site verifications.	X		X	X						
6639.2	When specifically instructed through formal guidance, contractors shall conduct site verifications to determine if a provider or supplier is operational at the practice location furnished to Medicare or if the provider or supplier continues to meet regulatory provisions for their provider or supplier type.	X		X	X						
6639.3	Contractors shall follow the procedures outlined in Pub. 100-08, chapter 10, section 22.1 and 22.2 when conducting site verifications.	X		X	X						
6639.4	Contractors shall revoke billing privileges for providers and suppliers that are no longer operational or that do not meet the requirements for their provider or supplier type using the applicable legal basis for revocation unless the provider or supplier has submitted an enrollment	X		X	X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	application notifying Medicare of the change.										
6639.4.1	Contractors shall issue a revocation notice to the provider or supplier and update PECOS within 7 calendar days of the determination that the provider or supplier is not in compliance.	X		X	X						
6639.4.2	If revoked, contractors shall establish the appropriate enrollment bar.	X		X	X						
6639.5	The NSC shall continue to follow previously established procedures regarding onsite inspections.										NSC

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	None										

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below: N/A
Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): Alisha Banks, Alisha.Banks@cms.hhs.gov, 410-786-0671
Post-Implementation Contact(s): Alisha Banks, Alisha.Banks@cms.hhs.gov, 410-786-0671

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs),* and/or *Carriers,* use only one of the following statements:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: ***For Medicare Administrative Contractors (MACs)*****, include the following statement:**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

22 - Site Verifications
(Rev.306, Issued: 10-02-09, Effective: 11-02-09, Implementation: 11-02-09)

All providers and suppliers are subject to unannounced site visits prior to receiving Medicare billing privileges or subsequent to receiving Medicare billing privileges. Unannounced site visits are designed to confirm that a physician, non-physician practitioner or other provider or supplier is operating at the practice location furnished to Medicare as part of the enrollment process and that the physician, non-physician practitioner or other provider or supplier is in compliance with applicable regulation provisions for their provider or supplier types.

Carriers, fiscal intermediaries and A/B MACs shall not conduct site verifications to determine if a provider or supplier, including physician and non-physician practitioners, is operational unless CMS has already issued formal guidance or unless CMS issues instructions directing the Medicare contractor to conduct a pre-enrollment site verification or post-enrollment site verification.

IDTFs shall be excluded from these instructions.

22.1 - Site Verifications to Determine Operational Status
(Rev.306, Issued: 10-02-09, Effective: 11-02-09, Implementation: 11-02-09)

When conducting a site verification to determine whether a practice location is operational, the Medicare contractor shall make every effort to limit its site verification to an external review of the practice location to determine if it is operational. If the Medicare contractor cannot determine if the practice location is operational based on an external review of the practice location, the Medicare contractor shall conduct an unobtrusive site verification by limiting its encounter with provider or supplier personnel or medical patients.

When conducting site verifications to determine whether a practice location is operational, the Medicare contractor shall:

- *Document the date and time of the attempted visit to include the name of the individual attempting the visit;*

- *As appropriate, photograph the provider or supplier's business for inclusion in the supplier's file on an as needed basis;*

- *Fully document observations made at the facility which could include facts such as; the facility was vacant and free of all furniture, a notice of eviction or similar documentation is posted at the facility, the space is now occupied by another company; and*

- *Write a report of their findings regarding each site verification.*

Site verifications should be done Monday through Friday (excluding holidays) during their posted business hours. If there are no hours posted, the site verification should occur between 9 a.m. and 5 p.m. If during the first attempt, there are obvious signs that facility is no longer

operational no second attempt is required. If, on the first attempt the facility is closed but there are no obvious indications the facility is non-operational, a second attempt on a different day during posted hours of operation should be made.

If a physician, non-physician practitioner, or other provider or supplier is determined not to be operational, the Medicare contractor shall revoke the Medicare billing privileges of the provider or supplier, unless the provider or supplier has submitted a change which notified the Medicare contractor of a change in practice location. Within 7 calendar days of CMS or the Medicare contractor determining that the provider or supplier is not operational, the Medicare contractor shall update PECOS or the applicable claims processing system (if the provider does not have an enrollment record in PECOS) to revoke billing Medicare billing privileges and issue a revocation notice to the provider or supplier. The Medicare contractor shall use either 42 CFR §424.535(a)(5)(i) or 42 CFR §424.535(a)(5)(ii) as the legal basis for revocation. Consistent with 42 CFR §424.535(g), the date of revocation is the date that CMS or the Medicare contractor determines that the provider or supplier is no longer operational. The Medicare contractor shall establish a 2-year enrollment bar for suppliers that are not operational. The Medicare contractor shall afford the provider or supplier with the applicable appeal rights in the revocation notification letter.

22.2 - Site Verifications to Determine if a Provider or Supplier Meets or Continues to Meet the Regulatory Requirements for Their Provider or Supplier Type

(Rev.306, Issued: 10-02-09, Effective: 11-02-09, Implementation: 11-02-09)

When conducting a site verifications to determine whether a provider or supplier continues to meet the regulatory provisions for the provider or supplier type, the Medicare contractor shall conduct its site verification in a manner which limits the disruption for the provider or supplier.

When conducting site verifications to determine whether a provider or supplier continues to meet the regulatory provisions for the provider or supplier type, the Medicare contractor shall:

- *Document the date and time of the attempted visit to include the name of the individual attempting the visit;*

- *As appropriate, photograph the provider or supplier's business for inclusion in the supplier's file on an as needed basis;*

- *Fully document observations made at the facility which could include facts such as; the facility was vacant and free of all furniture, a notice of eviction or similar documentation is posted at the facility, the space is now occupied by another company; and*

- *Write a report of their findings regarding each onsite inspection.*

Site verifications should be done Monday through Friday (excluding holidays) during their posted business hours. If there are no hours posted, the site verification should occur between 9 a.m. and 5 p.m. If during the first attempt, there are obvious signs that facility is no longer

operational no second attempt is required. If, on the first attempt the facility is closed but there are no obvious indications the facility is non-operational, a second attempt on a different day during posted hours of operation should be made.

If a Medicare contractor determines that the provider or supplier does not comply with the regulatory provisions for their provider or supplier type, the Medicare contractor shall revoke the provider or supplier's Medicare billing privileges. Within 7 calendar days of CMS or the Medicare contractor determining that the provider or supplier does not comply with the regulatory provisions for their provider or supplier type, the Medicare contractor shall update PECOS or the applicable claims processing system (if the provider does not have an enrollment record in PECOS) to revoke billing Medicare billing privileges and issue a revocation notice to the provider or supplier. The Medicare contractor shall use 42 CFR §424.535(a)(1) as the legal basis for revocation. Consistent with 42 CFR §424.535(g), the date of revocation is the date that CMS or the Medicare contractor determines that the provider or supplier is no longer in compliance with regulatory provisions for their provider or supplier type. The Medicare contractor shall establish a 2-year enrollment bar for the providers and suppliers that are not in compliance with provisions for their enrolled provider or supplier type. The Medicare contractor shall afford the provider or supplier with the applicable appeal rights in the revocation notification letter.

22.3 - National Supplier Clearinghouse (NSC)

(Rev.306, Issued: 10-02-09, Effective: 11-02-09, Implementation: 11-02-09)

The (NSC) shall continue to conduct onsite inspections consistent with their Statement of Work and any instructions issued by the NSC project officer.