

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-08 Medicare Program Integrity	Centers for Medicare & Medicaid Services (CMS)
Transmittal 357	Date: October 1, 2010
	Change Request 6714

NOTE to Contractor: Transmittal 348, dated July 27, 2010, is being rescinded and replaced by Transmittal 357 dated October 1, 2010. The Program Integrity Manual (PIM), chapter 10 (Medicare Provider/Supplier Enrollment), is being moved to PIM, chapter 15 (Medicare Enrollment). Therefore, all references to PIM, chapter 10, section 16 (Documentation), are being updated to reflect their new position in the PIM – chapter 15, section 28 (Deceased Practitioners). The change is exclusively to the chapter number, section, and text reference. All other information remains the same.

SUBJECT: Durable Medical Equipment (DME MAC) and the National Supplier Clearinghouse (NSC MAC) Procedures for Third Party Notification of Deceased Durable Medical Equipment, Prosthetic, Orthotic and Supplies (DMEPOS) Supplier Associates

I. SUMMARY OF CHANGES: This change request instructs the DME MACs and the NSC MAC in the procedures when notified of a deceased supplier of DMEPOS.

NEW / REVISED MATERIAL

EFFECTIVE DATE: OCTOBER 1, 2010

IMPLEMENTATION DATE: OCTOBER 4, 2010

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	15/15.28/Deceased Practitioners

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers: N/A

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.*

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D / M / E	F / I	C / A / R / R / I	R / H / H / I	Shared-System Maintainers				OTHER
		M / A / C	M / A / C		R / I / E / R		F / I / S / S	M / C / S / S	V / M / S / S	C / W / F / F	
	trustee or other legally-recognized representative of the DMEPOS supplier's estate to change the DMEPOS supplier's special payment address, the DME MAC or NSC MAC, as applicable, shall, at a minimum, ensure that the information identified in the PIM, chapter 15, section 28, subsection E, is furnished.										MAC

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D / M / E	F / I	C / A / R / R / I	R / H / H / I	Shared-System Maintainers				OTHER
		M / A / C	M / A / C		R / I / E / R		F / I / S / S	M / C / S / S	V / M / S / S	C / W / F / F	
	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): Kimberly McPhillips, kimberly.mcphillips@cms.hhs.gov or 410-786-5374;
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VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Carriers, and Regional Home Health Intermediaries (RHHIs)*:
N/A

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.

15.28 – Deceased Practitioners

(Rev. 357, Issued: 10-01-10, Effective: 10-01-10, Implementation: 10-04-10)

A. Reports of Death from the Social Security Administration (SSA)

Contractors, *including DME MACs and the NSC MAC*, will receive from CMS a monthly file that lists individuals who have been reported as deceased to the SSA. To help ensure that Medicare maintains current enrollment and payment information and to prevent others from utilizing the enrollment data of deceased individuals, the contractor shall undertake the activities described below.

B. Verification Activities

1. Physicians and Non-Physician Practitioners

For physicians and non-physicians, the contractor shall determine whether the individual is enrolled in Medicare. If the person is not, no further action by the contractor is needed. If the person is enrolled, the contractor shall verify the death by:

- Obtaining oral or written confirmation of the death from an authorized or delegated official of the group practice to which the individual practitioner had reassigned his or her benefits; or
- Obtaining an obituary notice from the newspaper; or
- Obtaining oral or written confirmation from the State licensing board (e.g., telephone, e-mail, computer screen printout); or
- Obtaining oral or written confirmation from the State Bureau of Vital Statistics; or
- Obtaining a death certificate, Form SSA-704, or Form SSA-721 (statement of funeral director).

Upon verification, the contractor shall undertake all actions (e.g., switching the PECOS record to “voluntary withdraw”) normally associated with the termination of a practitioner’s billing privileges - with the exception, of course, of sending a termination letter to the individual. The contractor shall place verification documentation in the provider file in accordance with section 28 of this manual.

2. Individuals Other than Physicians, Non-Physician Practitioners and/or Suppliers of Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS)

If the person is an owner, managing employee, director, officer, authorized official, etc., the contractor shall verify and document that the person is deceased using the verification process described in *section 28(B)* above.

Once the contractor verifies the report of death, it shall notify the provider *or supplier* organization with whom the individual is associated that it needs to submit a CMS-855 change request that deletes the individual from the provider's *or supplier's* enrollment record. If *a* provider fails to submit this information within 90 calendar days of the contractor's request, the contractor shall deactivate the provider's Medicare billing privileges in accordance with 42 CFR §424.540(a)(2). *DMEPOS Suppliers Only - If a DMEPOS supplier fails to submit this information within 30 calendar days of the contractor's request, the contractor shall deactivate the supplier's billing privileges in accordance with 42 CFR § 424.57(c)(2).*

The contractor need not, however, solicit a CMS-855 change request if:

- The associate was the sole owner of his or her professional corporation or professional association. The contractor can simply terminate that organization's enrollment in Medicare and then undertake all actions normally associated with a termination of a provider's or supplier's billing privileges, including sending a termination letter to the provider/supplier; or
- The organization is enrolled with another contractor. Here, the contractor shall notify (via fax or e-mail) the contractor with which the organization is enrolled of the situation, at which time the latter contractor shall take actions consistent with this section 28(A).

C. Reports of Death from Third-Parties

If a contractor, *including DME MACs or the NSC MAC*, receives a report of death from a third-party (State provider association, State medical society, academic medical institution, etc.), the contractor shall verify that the individual practitioner, *non-physician practitioner or DMEPOS supplier* is deceased by:

- Obtaining oral or written confirmation of the death from an authorized or delegated official of the group practice to which the individual practitioner, *non-physician practitioner or DMEPOS supplier* had reassigned his or her benefits; or
- Obtaining an obituary notice from the newspaper; or
- Obtaining oral or written confirmation from the State licensing board (e.g., telephone, e-mail, computer screen printout); or
- Obtaining oral or written confirmation from the State Bureau of Vital Statistics; or
- Obtaining a death certificate, Form SSA-704, or Form SSA-721 (Statement of Funeral Director).

Once the contractor verifies the death, it shall:

1. Undertake all actions normally associated with the termination of a supplier's billing privileges, with the exception of sending a termination letter to the practitioner, *non-physician practitioner or DMEPOS supplier*.
2. Search PECOS to determine whether the individual is listed therein as an owner, managing employee, director, officer, partner, authorized official, or delegated official.
3. If the person is not in PECOS, no further action with respect to that individual is needed.
4. If the supplier is indeed identified in PECOS as an owner, officer, etc., the contractor shall notify the organization with whom the person is associated that it needs to submit a CMS-855 change request that deletes the individual from the entity's enrollment record. If *a* provider fails to submit this information within 90 calendar days of the contractor's request, the contractor shall deactivate the provider's billing privileges in accordance with 42 CFR §424.540(a)(2). *DMEPOS Suppliers Only - If a DMEPOS supplier fails to submit this information within 30 calendar days of the contractor's request, the contractor shall deactivate the supplier's billing privileges in accordance with 42 CFR § 424.57(c)(2).*

The contractor need not, however, ask for a CMS-855 change request if:

- a. The practitioner, *non-physician practitioner or DMEPOS supplier* was the sole owner of his/hers professional corporation or professional association. The contractor can simply terminate the organization's enrollment in Medicare. It shall then undertake all termination actions normally associated with the termination of a supplier's billing privileges, including sending a termination letter to the supplier; or
- b. The organization is enrolled with another contractor. In this situation, the contractor shall notify (via fax or e-mail) the contractor with which the organization is enrolled of the situation, at which time the latter contractor shall take actions consistent with this section **28**.

The contractor shall place verification documentation in the provider *or supplier* file in accordance with section **28** of this chapter.

D. Education & Outreach

Contractors, including DME MACs and the NSC MAC, shall conduct outreach to State provider associations, State medical societies, academic medical institution, and group practices, etc., regarding the need to promptly inform contractors of the death physicians, non-physician practitioners participating in the Medicare program.

E. Trustees/Legal Representatives

1. NPI - The trustee/legal representative of a deceased provider, *non-physician practitioner or DMEPOS supplier*'s estate may deactivate the NPI of the deceased provider by providing written documentation to the NPI enumerator.

2. Special Payment Address - In situations where an individual practitioner, *non-physician practitioner or DMEPOS supplier* has died, the contractor can make payments to the individual's estate per the instructions in Pub. 100-04, chapter 1. When the contractor receives a request from the trustee or other legally-recognized representative of the provider, *non-physician practitioner or DMEPOS supplier*'s estate to change the provider, *non-physician practitioner or DMEPOS supplier*'s special payment address, the contractor shall, at a minimum, ensure that the following information is furnished:
 - CMS-855 change of information request that updates the "Special Payment" address in the application. The CMS-855 can be signed by the trustee/legal representative.

 - Any evidence – within reason - verifying that the practitioner, *non-physician practitioner or DMEPOS supplier* is in fact deceased.

 - Legal documentation verifying that the trustee/legal representative has the legal authority to act on behalf of the provider, *non-physician practitioner or DMEPOS supplier*'s estate.

The policies in this section 28(E)(1) and (2) apply only to individual practitioners, *non-physician practitioners and DMEPOS suppliers* who operated their business as sole proprietors. It does not apply to solely-owned corporations, limited liability companies, etc., nor does it apply to situations in which the practitioner, *non-physician practitioner or DMEPOS supplier* reassigned his or her benefits to another entity.