

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-08 Medicare Program Integrity</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 378</b>	<b>Date: July 1, 2011</b>
	<b>Change Request 7452</b>

**NOTE: Transmittal 378 is being reissued to add the “Table of Contents” and to add red italics to the Manual Instructions. The Transmittal number, date and all other material remains the same.**

**SUBJECT: Prospective Billing for Refills of DMEPOS Items Provided on a Recurring Basis**

**I. SUMMARY OF CHANGES:** This CR adds sections 5.2.5 and 5.2.6 to chapter 5 in the PIM, and provides guidance for prospective billing and changes the timeframes for refills.

**EFFECTIVE DATE: August 2, 2011**

**IMPLEMENTATION DATE: August 2, 2011**

*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-*Only One Per Row.*

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N	Chapter 5/ 5.2.5/Billing for Refills of DMEPOS Items Provided on a Recurring Basis
N	Chapter 5/ 5.2.6/Refills of DMEPOS Items Provided on a Recurring Basis

**III. FUNDING:**

**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs):**

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

**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.*





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.

# Medicare Program Integrity Manual

## Chapter 5 – Items and Services Having Special DME Review Considerations

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**Table of Contents**  
*(Rev. 378, 07-01 -11)*

### **Transmittals for Chapter 5**

*Chapter 5/ 5.2.5/Billing for Refills of DMEPOS Items Provided on a Recurring Basis*

*Chapter 5/ 5.2.6/Refills of DMEPOS Items Provided on a Recurring Basis*

### ***5.2.5 –Billing for Refills of DMEPOS Items Provided on a Recurring Basis***

***(Rev. 378, Issued: 07-01-11, Effective: 08-02-11, Implementation: 08-02-11)***

***This section applies to DME MACs, DME PSCs, and ZPICs.***

*For DMEPOS items and supplies that are provided on a recurring basis, billing must be based on prospective, not retrospective use. The following scenarios are illustrative of this concept:*

*Scenario 1: The treating physician writes an order for enteral nutrition which translates into the dispensing of 100 units of nutrient for one month. The supplier receives the order, delivers 100 units and bills the claim with a date of service as the date of delivery indicating 100 units. This is an example of prospective billing and is acceptable.*

*Scenario 2: The treating physician writes an order for enteral nutrition which translates into the dispensing of 100 units of nutrient for one month. The supplier receives the order and delivers 100 units. A claim is not billed. At the end of the month, the supplier determines that the beneficiary used 90 units for the month and delivers 90 units to replace the nutrient used. A claim is then submitted with a date of service as the date of delivery indicating 90 units of enteral nutrition. This is an example of retrospective billing and is not acceptable.*

### ***5.2.6–Refills of DMEPOS Items Provided on a Recurring Basis***

***(Rev. 378, Issued: 07-01-11, Effective: 08-02-11, Implementation: 08-02-11)***

***This section applies to DME MACs, DME PSCs, and ZPICs.***

*For DMEPOS products that are supplied as refills to the original order, suppliers must contact the beneficiary prior to dispensing the refill and not automatically ship on a pre-determined basis, even if authorized by the beneficiary. This shall be done to ensure that the refilled item remains reasonable and necessary, existing supplies are approaching exhaustion, and to confirm any changes/modifications to the order. Contact with the beneficiary or designee regarding refills must take place no sooner than 14 calendar days prior to the delivery/shipping date. For delivery of refills, the supplier must deliver the DMEPOS product no sooner than 10 calendar days prior to the end of usage for the current product. This is regardless of which delivery method is utilized. DME MACs shall allow for the processing of claims for refills delivered/shipped prior to the beneficiary exhausting his/her supply.*