

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-08 Medicare Program Integrity	Centers for Medicare & Medicaid Services (CMS)
Transmittal 528	Date: July 3, 2014
	Change Request 8643

SUBJECT: Proof of Delivery

I. SUMMARY OF CHANGES: The purpose of this CR is to give instruction to the contractors when a beneficiary becomes eligible for the Medicare FFS program and is requesting a DMEPOS item. It provides the contractors instruction on the proof of delivery.

EFFECTIVE DATE: August 5, 2014

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

IMPLEMENTATION DATE: August 5, 2014

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.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	5/5.8/Supplier Documentation

III. FUNDING:

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 obliged 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**

Attachment - Business Requirements

Pub. 100-08	Transmittal: 528	Date: July 3, 2014	Change Request: 8643
--------------------	-------------------------	---------------------------	-----------------------------

SUBJECT: Proof of Delivery

EFFECTIVE DATE: August 5, 2014

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

IMPLEMENTATION DATE: August 5, 2014

I. GENERAL INFORMATION

A. Background: The purpose of this CR is to ensure that when a beneficiary becomes Medicare FFS eligible and wants to continue to receive a DMEPOS item, the contractors will know the correct documentation that must be submitted in order for the supplier to show support of the Medicare payment.

B. Policy: The correct documentation must be submitted in order for the supplier to show that the DMEPOS item that the beneficiary is in possession of meets both the Medicare requirements and the proof of delivery.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S S	V M S	C W F	
8643.1	The DME MAC shall educate the supplier community that the supplier must submit an initial or new claim for the item and the necessary documentation to support Medicare payment upon request to the DME MAC even if there is no change in the beneficiary's medical condition.				X					
8643.2	The DME MAC shall consider the proof of delivery requirements met for this type of beneficiary by instructing the supplier to obtain a statement, signed and dated by the beneficiary (or beneficiary's designee), that the supplier has examined the item.				X					
8643.2.1	The DME MAC shall educate the supplier that the supplier must also attest to the fact that the item meets Medicare requirements.				X					

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E	C E D I
		A	B	H H H		
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Daniel Schwartz, 410-786-4197 or Daniel.Schwartz@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: 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.

ATTACHMENTS: 0

5.8 - Supplier Documentation

(Rev.528, Issued: 07, 03-14, Effective: 08-05-14, Implementation: 08-05-14)

A. General

Before submitting a claim to the DME MAC the supplier must have on file a dispensing order, the detailed written order, the CMN (if applicable), the DIF (if applicable), information from the treating physician concerning the patient's diagnosis, and any information required for the use of specific modifiers or attestation statements as defined in certain DME MAC policies. The supplier should also obtain as much documentation from the patient's medical record as they determine they need to assure themselves that coverage criteria for an item have been met. If the information in the patient's medical record does not adequately support the medical necessity for the item, the supplier is liable for the dollar amount involved unless a properly executed ABN of possible denial has been obtained.

Documentation must be maintained in the supplier's files for seven (7) years *from date of service*.

B. Proof of Delivery-Methods

Suppliers are required to maintain proof of delivery documentation in their files. The proof of delivery requirements are outlined below according to the method of delivery. The three methods of delivery are:

- Supplier delivering directly to the beneficiary or authorized representative;
- Supplier utilizing a delivery/shipping service to deliver items; and
- Delivery of items to a nursing facility on behalf of the beneficiary.

C. Proof of Delivery-Availability

Proof of delivery documentation must be available to the DME MAC, *Recovery Auditor* and ZPIC on request. All *items* that do not have appropriate proof of delivery from the supplier will be denied and overpayments will be requested. Suppliers who consistently do not provide documentation to support their services may be referred to the OIG for imposition of CMPs or Administrative Sanctions.

D. Proof of Delivery for Recently Eligible Medicare FFS Beneficiaries

Medicare does not automatically assume payment for a durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) item that was covered prior to a beneficiary becoming eligible for the Medicare FFS program. When a beneficiary receiving a DMEPOS item from another payer becomes eligible for the Medicare FFS program, the beneficiary may continue to receive such items only if Medicare requirements are met for such DMEPOS items. The DME MAC shall educate the supplier community that the supplier must submit an initial or new claim for the item and the necessary documentation to support Medicare payment upon request to the DME MAC even if there is no change in the beneficiary's medical condition. The proof of delivery serves as evidence that the beneficiary is already in possession of the item. The beneficiary's signature is required on the proof of delivery. A date of delivery must be noted by the supplier, beneficiary, or designee. The first day of the first rental month in which Medicare payments are made for the item serves as the start date of the reasonable useful lifetime and period of continuous use. The DME MAC shall consider the proof of delivery requirements met for this type of beneficiary by instructing the supplier to obtain a statement, signed and dated by the beneficiary (or beneficiary's designee), that the supplier has examined the item. The DME MAC shall educate the supplier that the supplier must also attest to the fact that the item meets Medicare requirements.