CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 666	Date: March 26, 2010
	Change Request 6360

SUBJECT: Update ViPS Medicare System (VMS) to Deactivate Billing Numbers for Non-Frequent Billing Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Suppliers.

I. SUMMARY OF CHANGES: The Centers for Medicare and Medicaid Services (CMS) policy regulation requiring the above action to deactivate non-billing providers and suppliers can be found 42CFR424.540. This CR outlines a systematic approach to identify DMEPOS suppliers who should be deactivated after 12 consecutive months of non-billing.

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-*Only One Per Row*.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE	
N/A		

III. FUNDING:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers: 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:

One-Time Notification

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

Attachment – One-Time Notification

SUBJECT: Update ViPS Medicare System (VMS) to Deactivate Billing Numbers for Non-Frequent Billing Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Suppliers.

Effective Date: October 1, 2010

Implementation Date: October 4, 2010

- A. Background: Change Request (CR) 5296 established the criteria and procedures for deactivating billing numbers for providers/suppliers in the Multi-Carrier System (MCS) that had not billed the Medicare program for 1 year. With the National Supplier Clearinghouse (NSC) transitioning to the Provider Enrollment, Chain and Ownership System (PECOS) in 2010, PECOS must now perform this function. In addition, this CR requires that the Pricing, Data Analysis and Coding (PDAC) contractor provide a quarterly extract report to PECOS for all billing numbers that have not billed for 12 consecutive months. This extract report will be used to automatically update PECOS with the deactivated provider transaction access number (PTAN) information which will allow PECOS and VMS to remain in sync. With the National Provider Identifier (NPI) now implemented, this instruction will ensure keeping VMS and PECOS consistent with the crosswalk and will also have the most current information for active Medicare billing numbers.
- **B.** Policy: The Centers for Medicare & Medicaid Services (CMS) policy regulation requiring the above action to deactivate non-billing providers and suppliers can be found at 42CFR424.540. This CR outlines a systematic approach to identify DMEPOS suppliers who should be deactivated after 12 consecutive months of non-billing.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility									
		A	D	F	C	R		Shai	ed-		Other
		/	M	I	A	Н	1	Syst	em		
		В	Е		R	Н	M	ainta	aine	rs	
					R	I	F	M	V	C	
		M	M		I		I	C	M	W	
		A	A		Ε		S	S	S	F	
		C	C		R		S				
6360.1	The Pricing, Data Analysis and Coding (PDAC)										PECOS
	contractor shall continue to generate the consolidated										PDAC
	non-billing DMEPOS supplier extract file and send it to										
	PECOS within 45 days of the end of the calendar quarter.										
6360.2	Prior to deactivating a PTAN, PECOS shall make sure										PECOS
	that the DMEPOS supplier has not updated their										
	enrollment record in the past 12 consecutive months.										
6360.3	Prior to deactivating a PTAN, PECOS shall make sure										PECOS
	that the current DMEPOS supplier enrollment status is										
	not voluntary withdrawn or revoked.										
6360.4	Prior to deactivating a PTAN, PECOS shall ensure that										PECOS
	new DMEPOS suppliers that have yet to bill the program										
	have been active or enrolled (based on effective date of										
	PTAN) for at least 12 consecutive months and they do										

Number	mber Requirement Responsibility										
		A	D	F	С	R		Sha	red-		Other
		/	M	I	A	Н		Sys	tem		
		В	Е		R	Н	M	aint	aine	ers	
					R	I	F	M	V	C	
		M	M		I		I	C	M	W	
		A	A		E		S	S	S	F	
		C	C		R		S				
	not get flagged for deactivation.										
6360.5	PECOS shall not deactivate any PTAN that matches the										PECOS
	criteria in Business requirements 6360.2 through 6360.4.										
6360.6	PECOS shall generate a report for the NSC showing the										PECOS
	number of PTANs that have been deactivated for non-										
	billing in PECOS.										
6360.7	The NSC shall forward a copy of the report to the										NSC
	CMS/DPSE contractor liaison within 15 days of receipt										
	from PECOS.										
6360.8	PECOS shall generate an extract containing the										PECOS NSC
	following data elements of deactivated PTANs for use by										NSC
	the NSC to generate appropriate notices:										
	Legal Business Name										
	NSC Number										
	Correspondence Line 1 Street Address										
	Correspondence Line 2 Street Address										
	Correspondence City										
	Correspondence State Code										
	Correspondence Zip Code										
	National Provider Identifier (NPI)										
6360.9	In the event a claim is submitted after the 12 consecutive								X		
	months of non-billing, VMS shall generate a message via										
	a remittance notice using standard reason/remark B7 –										
	"This provider was not certified/eligible to be paid for										
	this procedure/service on this date of service."										

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility									
		Α	D	F	C	R	Shared-			Other	
		/	M	I	A	Н		Syst	tem		
		В	Е		R	Н	M	aint	aine	ers	
					R	I	F	M	V	С	
		M	M		I		I	C	M	W	
		Α	Α		Е		S	S	S	F	
		C	C		R		S				
	None.										

IV. SUPPORTING INFORMATION

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

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): Michael Collett, OFM/DPSE, (410)786-6121

Post-Implementation Contact(s): Michael Collett, OFM/DPSE, (410)786-6121

VI. FUNDING

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

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