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Health Care Practice
November 29, 2011

Revalidation Update for Medicare Providers and Suppliers

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Through March of 2015, most Medicare providers and suppliers will need to revalidate their enrollment, which will be reviewed under new risk screening criteria required by the Affordable Care Act ("ACA"). Phase I of the revalidation process began last September when 89,000 revalidation letters were sent to select providers and suppliers. This fall, Centers for Medicare & Medicaid Services ("CMS") began outreach efforts to educate providers and suppliers about the revalidation process. Below is a summary of the information CMS has recently provided about the process.

Overview of Revalidation

Revalidation applies to providers and suppliers that were enrolled in the Medicare program before March 25, 2011. Providers and suppliers that submitted their enrollment applications to CMS on or after March 25, 2011, are generally not impacted.

The revalidation project is being phased in so that Medicare administrative contractors can manage their existing workload as well as revalidation inquiries and the large influx of applications. Phase I of the revalidation project began in late September when contractors mailed approximately 89,000 revalidation notices to suppliers and providers around the country. For Phase I, CMS targeted providers and suppliers that were actively enrolled in Medicare but were not enrolled in the PECOS system. Future phases, which will commence after January 1, 2012, are expected to begin on a smaller scale than seen in Phase I, and as Medicare administrative contractors ramp up in staff, the mailings will increase.

Revalidation Process

Revalidation letters will be sent to the special payments and correspondence addresses for providers in PECOS. If both addresses are the same, then a second letter will go to the practice location. In addition to sending a letter, providers and suppliers can check the Medicare Provider Supplier Enrollment Revalidation Page, which currently includes a list of all names and National Provider Identifier Standard ("NPIs") of businesses that were targeted in Phase I.

The revalidation letter will provide specific instructions on the process. Providers and suppliers will have 60 days after the date of the letter to send the revalidation documents to the contractor. As long as the documents are submitted within 60 days, there is no interruption in billing privileges, regardless of how long it takes the contractor to process the revalidation.

To prevent a bottleneck for the contractors, CMS is asking that providers and suppliers do nothing until instructed by their contractors to do so. CMS does not want the revalidation process to impact contractors' everyday processing of new applications, changes of information and other enrollment documents.

Failure to Respond

As the regulations are currently written, the failure to respond to a revalidation notice within 60 days would cause a provider or supplier number to be revoked. However, instead of revoking the number, CMS is opting to deactivate the provider number, allowing the provider or supplier—upon becoming aware that the number has been deactivated—to submit the revalidation documents. In such case, the Medicare number would be reinstated, provided that the revalidation documents are received within 120 days of the postmark of the original revalidation request.

In order to avoid late responses, CMS has instructed contractors to make at least two telephone calls to the phone numbers that are in PECOS to try to reach someone to let them know that the revalidation letter was mailed and that a response has not been received.

Enhancements to PECOS

CMS is using a phased-in approach also to leverage enhancements that are being made to PECOS in a way that would encourage the provider and supplier community to use PECOS as a means to revalidate. In the next phases of revalidation, submissions of revalidations are expected to be much simpler than submitting a paper CMS-855.

Enhancements that will occur throughout 2012 to PECOS include:

- Allowing users to reset passwords/user names without CMS intervention
- Streamlining registration of Authorized Officials
- Enabling duplicate data entry so that providers/suppliers do not have to enter the same information, such as addresses and phone numbers, multiple times when completing a single application
- Enabling ability to search for provider/supplier information in the system
- Enabling ability for organizations and providers to approve staff or other authorized representatives to work on their behalf
- Creating reassignment reports
- Improving "my enrollment" page to help access data more efficiently
- Creating a fast track view to see all application information on a single screen
- Enabling electronic submission of corrections and changes to applications and uploading documents such as Electronic Funds Transfer ("EFT") agreements and other supporting documentation
- Introducing e-signature for certification statements
- Reducing number of screens and steps for frequent changes as well as revalidation

Locke Lord LLP is following CMS developments relating to the Medicare enrollment revalidation project and we are available to consult with clients who are preparing their revalidation materials or who have questions regarding the revalidation process.

For more information on the matters discussed in this *Locke Lord QuickStudy*, please contact the authors:

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