

<b>CMS Manual System</b>	Department of Health & Human Services (DHHS)
<b>Pub 100-08 Medicare Program Integrity</b>	Centers for Medicare & Medicaid Services (CMS)
Transmittal 328	Date: March 19, 2010
	Change Request 6696

**SUBJECT: Ordering/Referring Providers Who Are not Enrolled in Medicare**

**I. SUMMARY OF CHANGES:** CMS expanded its claim editing of ordering and referring providers to meet the Social Security Act requirements. Physicians and certain non-physician practitioners, who are employed by the Department of Veterans Affairs (DVA), Department of Defense (DOD) TRICARE program or the Public Health Service (PHS) are eligible to apply for Medicare enrollment and have an active enrollment record in the Provider Enrollment, Chain and Ownership System (PECOS) for the sole purpose of ordering items or services for Medicare beneficiaries or referring Medicare beneficiaries to other providers or suppliers.

**EFFECTIVE DATE: April 19, 2010**

**IMPLEMENTATION DATE: April 19, 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	10/Table of Contents
R	10/4.2.7/Section 2 of the CMS-855I
N	10/11.11/Ordering/Referring Providers Who Are Not Enrolled in Medicare
N	10/14.21/Model Approval Letter for Providers Who Order and Refer Only

**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:**

**Business Requirements  
Manual Instruction**

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

# Attachment – Business Requirements

Pub. 100-08	Transmittal: 328	Date: March 19, 2010	Change Request: 6696
-------------	------------------	----------------------	----------------------

**SUBJECT: Ordering/Referring Providers Who Are not Enrolled in Medicare**

**EFFECTIVE DATE: April 19, 2010**

**IMPLEMENTATION DATE: April 19, 2010**

## I. GENERAL INFORMATION

**A. Background:** The Centers for Medicare & Medicaid Services (CMS) expanded its claim editing of ordering and referring providers to meet the Social Security Act requirements. Physicians and non-physician practitioners of the types listed below may order items or services for Medicare beneficiaries or may refer Medicare beneficiaries to other Medicare providers or suppliers.

- doctor of medicine or osteopathy
- doctor of dental medicine
- doctor of dental surgery
- doctor of podiatric medicine
- doctor of optometry
- doctor of chiropractic medicine
- physician assistant
- certified clinical nurse specialist
- nurse practitioner
- clinical psychologist
- certified nurse midwife
- clinical social worker

Over the years, some physicians and non-physician practitioner types listed above have traditionally ordered or referred and are identified in Medicare claims as the ordering or referring provider even though they were not enrolled in the Medicare program. Generally, they were identified in claims by surrogate Unique Physician Identification Numbers (UPINs) (e.g., RES000, OTH000). Medicare claims from providers and suppliers who furnished items or services to Medicare beneficiaries as a result of an order or a referral will not be reimbursed by Medicare for those items or services unless the ordering/referring provider is of the type listed above and has an enrollment record in the Provider Enrollment, Chain and Ownership System (PECOS) at the time of the order or referral. CMS has made the following determinations:

- 1.** Interns and residents cannot enroll in the Medicare program for the sole purpose of ordering items or services for Medicare beneficiaries or referring Medicare beneficiaries to other Medicare providers or suppliers. If an intern or resident orders or refers services to Medicare beneficiaries, the teaching, admitting or attending physician's name and NPI go on the claim as the ordering/referring provider.
- 2.** A "fellowship" is the period of medical training that a physician may undertake after completing a residency and, if licensed in the State, can enroll in the Medicare program for the sole purpose of ordering items or services for Medicare beneficiaries or referring Medicare beneficiaries to other providers or suppliers
- 3.** Physician and non-physician practitioners of the types listed above who are employed by the Department of Veterans Affairs (DVA), Department of Defense (DOD) TRICARE program or the Public Health Service

(PHS) are eligible to apply for Medicare enrollment to enroll for the sole purpose of ordering items or services for Medicare beneficiaries or referring Medicare beneficiaries to other providers or suppliers. (These physicians and non-physician practitioners would not be sending claims to Medicare or be receiving payment from Medicare for Services furnished to Medicare beneficiaries.)

The physicians and non-physician practitioners described in item 3 above must do one of the following:

1. Complete all the enrollment topics in Internet-based PECOS and send the designated Medicare contractor the signed certification statement and cover letter stating the provider is only enrolling to order and refer services to beneficiaries, or
2. Complete the paper form CMS-855I, "Medicare Enrollment Application for Physicians and Non-Physician Practitioners," by completing the following sections listed below and mail the completed form to the designated Medicare enrollment contractor:

- Section 1 – Basic Information (they would be a new enrollee)
- Section 2 – Identifying Information (section 2A, 2B, 2D and if appropriate 2H and 2K)
- Section 3 – Final Adverse Actions/Convictions
- Section 4C/4E – Practice Location Information (same as section 2B)
- Section 13 – Contact Person
- Section 15 - Certification Statement (must be signed and dated—blue ink recommended)
- Section 17 - Supporting Documentation (cover letter stating the provider is only enrolling to order and refer services to a beneficiary)

Medicare enrollment contractors shall verify the information sent on the application and, if the application is approved, will enter the information in to the PECOS; hence, the physician or non-physician practitioner will be on the ordering/referring file in the Medicare claims system. Contractors will send the approval notification letter to inform these physician and non-physician practitioners that they are enrolled in the Medicare program for the sole purpose of ordering and referring items or services for Medicare beneficiaries to other providers and suppliers.

If, in the future, a physician and non-physician practitioner, as described in item 3 above, with a type listed above, who had been employed by the DVA, DOD or the PHS and now wishes to be reimbursed by Medicare for services performed, the current information to only order and refer items or services must be deactivated and the new information submitted via the appropriate paper enrollment application(s) or Internet-based PECOS as an update.

**B. Policy:** Section 1833(q) of the Social Security Act requires that all physicians and non-physician practitioners that meet the definitions at section 1861(r) and 1842(b)(18)(C) be uniquely identified for all claims for services that are ordered or referred. Effective January 1, 1992, a provider or supplier that bills Medicare for a service or item must show the name and unique identifier of the ordering/referring provider on the claim if that service or item was the result of an order or referral. Effective May 23, 2008, the unique identifier must be an NPI. In addition, only PECOS-enrolled physicians and non-physician practitioners as defined above are eligible to order/refer services for Medicare beneficiaries.

**II. BUSINESS REQUIREMENTS TABLE**  
*Use "Shall" to denote a mandatory requirement*

Number	Requirement	Responsibility (place an "X" in each applicable column)
--------	-------------	---

		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6696.1	Contractors shall accept applications from physician and non-physician practitioners who are employed by the DVA, DOD or the PHS who are of a provider type who is eligible to order or refer.	X			X						
6696.2	Contractors shall verify the information sent on the application and, if the application is approved, will enter the information into the PECOS.	X			X						
6696.3	Contractors shall use the date of filing as the effective date in PECOS and MCS.	X			X						
6696.4	Contractors shall add an MCS action reason code '51' to physician and non-physician practitioners who enroll in Medicare solely to order or refer so they cannot be reimbursed for any services to Medicare beneficiaries.	X			X						
6696.4.1	Contractors shall set up SCF rules for AR 51 to ensure physicians and non-physician practitioners who enroll in Medicare solely to order or refer cannot be reimbursed for any services to Medicare beneficiaries.	X			X						
6696.4.2	Contractors shall use the denial messages CARC B7 and MSN 21.02.	X			X						
6696.5	Contractors shall use the CMS approved letter in Pub. 100-08, Medicare Program integrity Manual, Chapter 10 Medicare Provider/Supplier Enrollment, Section 14.21, Model Approval letter for Providers who Order and Refer Only.	X			X						
6696.6	Contractors shall indicate these physician and non-physician practitioners as non-participating in PECOS and MCS.	X			X						
6696.7	If, in the future, a physician and non-physician practitioner, with a type listed above, who had been employed by the DVA, DOD or the PHS and could now be reimbursed by Medicare for services performed, the contractor shall deactivate the current information and the new information must be submitted via the paper application or Internet-based PECOS as an update.	X			X						
6696.8	The railroad shall update the PES copy provider function to include the new AR code.										Railroad

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
						F I S S	M C S	V M S	C W F		

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6696.9	<p>A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles/">http://www.cms.hhs.gov/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>	X			X						

#### IV. SUPPORTING INFORMATION

**Section A: For any recommendations and supporting information associated with listed requirements, use the box below:**

*Use "Should" to denote a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:
CR 6417	Expansion of the Current Scope of Editing for Ordering/Referring Providers for claims processed by Medicare Carriers and Part B Medicare Administrative Contractors (MACs)

**Section B: For all other recommendations and supporting information, use this space: N/A**

#### V. CONTACTS

**Pre-Implementation Contact(s):** Sandra Olson [sandra.olson@cms.hhs.gov](mailto:sandra.olson@cms.hhs.gov) 410-786-1325 or Patricia Peyton [patricia.peyton@cms.hhs.gov](mailto:patricia.peyton@cms.hhs.gov) 410-786-1812

**Post-Implementation Contact(s):** Sandra Olson [sandra.olson@cms.hhs.gov](mailto:sandra.olson@cms.hhs.gov) 410-786-1325 or Patricia Peyton [patricia.peyton@cms.hhs.gov](mailto:patricia.peyton@cms.hhs.gov) 410-786-1812

#### 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):***

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 10 - Medicare Provider/Supplier Enrollment

---

### Table of Contents

*(Rev. 328, 03-19-10)*

*11.11 – Ordering/Referring Providers Who Are Not Enrolled in Medicare*

*14.21 – Model Approval Letter for Providers Who Order and Refer Only*

#### 4.2.7 – Section 2 of the CMS-855I

*(Rev. 328; Issued: 03-19-10; Effective/Implementation Date: 04-19-10)*

##### **A. Specialties**

On the CMS-855I, the physician must indicate his/her supplier specialties, showing "P" for primary and "S" for secondary. Non-physician practitioners must indicate their supplier type.

The contractor shall deny the application if the individual fails to meet the requirements of his/her physician specialty or supplier type.

##### **B. Education for Non-Physician Practitioners**

The contractor shall verify all required educational information for non-physician practitioners. While the non-physician practitioner must meet all Federal and State requirements, he/she need not provide documentation of courses or degrees taken to satisfy these requirements unless specifically requested to do so by the contractor. To the maximum extent possible, the contractor shall use means other than the practitioner's submission of documentation- such as a State or school Web site - to validate the person's educational qualifications.

A physician need not submit a copy of his/her degree unless specifically requested to do so by the contractor. To the maximum extent possible, the contractor shall use means other than the physician's submission of documentation- such as a State or school Web site - to validate the person's educational status.

##### **C. Resident/Intern Status**

If the applicant is a "resident" in an "approved medical residency program" (as these two terms are defined at 42 CFR §413.75(b)), the contractor shall refer to Pub. 100-02, chapter 15, section 30.3 for further instructions. (The contractor may also want to refer to 42 CFR §415.200, which states that services furnished by residents in approved programs are not "physician services.")

Note that an intern cannot enroll in the Medicare program. (For purposes of this requirement, the term "intern" means an individual who is not licensed by the State because he/she is still in post-graduate year (PGY) 1.) Also, an individual in a residency or fellowship program cannot be reimbursed for services performed as part of that program.

##### **D. Physician Assistants**

As stated in the instructions on page 3 of the CMS-855I, physician assistants (PAs) who are enrolling in Medicare need only complete sections 1, 2, 3, 13, 15, and 17 of the CMS- 855I. The physician assistant must furnish his/her NPI in section 1 of the application, and must list his/her employers in section 2E.

The contractor must verify that the employers listed are: (1) enrolled in Medicare, and (2) not excluded or debarred from the Medicare program. (An employer can only receive payment for a PA's services if both are enrolled in Medicare.) All employers must also have an established record in PECOS. If an employer is excluded or debarred, the contractor shall deny the application.

Since PAs cannot reassign their benefits – even though they are reimbursed through their employer – they should not complete a CMS-855R.

### **E. Psychologists Billing Independently**

The contractor shall ensure that all persons who check “Psychologist Billing Independently” in section 2D2 of the CMS-855I answer all questions in section 2I. If the supplier answers “no” to question 1, 2, 3, 4a, or 4b, the contractor shall deny the application.

### **F. Occupational/Physical Therapist in Private Practice (OT/PT)**

All OT/PTs in private practice must respond to the questions in section 2J of the CMS-855I. If the OT/PT plans to provide his/her services as: (1) a member of an established OT/PT group, (2) an employee of a physician-directed group, or (3) an employee of a non-professional corporation, and that person wishes to reassign his/her benefits to that group, this section does not apply. Such information will be captured on the group's CMS-855B application.

If the OT/PT checks that he/she renders all of his/her services in patients' homes, the contractor shall verify that he/she has an established private practice where he/she can be contacted directly and where he/she maintains patient records. (This can be the person's home address, though all Medicare rules and instructions regarding the maintenance of patient records apply.) In addition, section 4D of the CMS-855I should indicate where services are rendered (e.g., county, State, city of the patients' homes). Post office boxes are not acceptable.

If the individual answers “yes” to question 2, 3, 4, or 5, the contractor shall request a copy of the lease agreement giving him/her exclusive use of the facilities for PT/OT services only if it has reason to question the accuracy of his/her response. If the contractor makes this request and the provider cannot furnish a copy of the lease, the contractor shall deny the application.

### ***11.11 – Ordering/Referring Providers Who Are Not Enrolled in Medicare (Rev. 328; Issued: 03-19-10; Effective/Implementation Date: 04-19-10)***

The Centers for Medicare & Medicaid Services (CMS) expanded its claim editing of ordering and referring providers to meet the Social Security Act requirements. Physicians and non-physician practitioners of the types listed below may order items or services for Medicare beneficiaries or may refer Medicare beneficiaries to other Medicare providers or suppliers.

- doctor of medicine or osteopathy
- doctor of dental medicine
- doctor of dental surgery

- doctor of podiatric medicine
- doctor of optometry
- doctor of chiropractic medicine
- physician assistant
- certified clinical nurse specialist
- nurse practitioner
- clinical psychologist
- certified nurse midwife
- clinical social worker

Over the years, some physicians and non-physician practitioner types listed above have traditionally ordered or referred and are identified in Medicare claims as the ordering or referring provider even though they were not enrolled in the Medicare program. Generally, they were identified in claims by surrogate Unique Physician Identification Numbers (UPINs) (eg, RES000, OTH000). Medicare claims from providers and suppliers who furnished items or services to Medicare beneficiaries as a result of an order or a referral will not be reimbursed by Medicare for those items or services unless the ordering/referring provider is of the type listed above and has an enrollment record in the Provider Enrollment, Chain and Ownership System (PECOS) at the time of the order or referral. CMS has made the following determinations:

- 1.** Interns and residents cannot enroll in the Medicare program for the sole purpose of ordering items or services for Medicare beneficiaries or referring Medicare beneficiaries to other Medicare providers or suppliers. If an intern or resident orders or refers services to Medicare beneficiaries, the teaching, admitting or attending physician's name and NPI go on the claim as the ordering/referring provider.
- 2.** A "fellowship" is the period of medical training that a physician may undertake after completing a residency and, if licensed in the State, can enroll in the Medicare program for the sole purpose of ordering items or services for Medicare beneficiaries or referring Medicare beneficiaries to other providers or suppliers
- 3.** Physician and non-physician practitioners of the types listed above who are employed by the Department of Veterans Affairs (DVA), Department of Defense (DOD) TRICARE program or the Public Health Service (PHS) are eligible to apply for Medicare enrollment to enroll for the sole purpose of ordering items or services for Medicare beneficiaries or referring Medicare beneficiaries to other providers or suppliers. (These physicians and non-physician practitioners would not be sending claims to Medicare or be receiving payment from Medicare for Services furnished to Medicare beneficiaries.)

The physicians and non-physician practitioners described in item 3 above must do one of the following:

1. Complete all the enrollment topics in Internet-based PECOS and send the designated Medicare contractor the signed certification statement and cover letter stating the provider is only enrolling to order and refer services to beneficiaries, or

2. Complete the paper form CMS-855I, “Medicare Enrollment Application for Physicians and Non-Physician Practitioners,” by completing the following sections listed below and mail the completed form to the designated Medicare enrollment contractor:

- Section 1 – Basic Information (they would be a new enrollee)
- Section 2 – Identifying Information (section 2A, 2B, 2D and if appropriate 2H and 2K)
- Section 3 – Final Adverse Actions/Convictions
- Section 4C/4E – Practice Location Information (same as section 2B)
- Section 13 – Contact Person
- Section 15 - Certification Statement (must be signed and dated—blue ink recommended)
- Section 17 - Supporting Documentation (cover letter stating the provider is only enrolling to order and refer services to a beneficiary)

Medicare enrollment contractors shall verify the information sent on the application and, if the application is approved, will enter the information in to the PECOS; hence, the physician or non-physician practitioner will be on the ordering/referring file in the Medicare claims system. Contractors will send the approval notification letter to inform these physician and non-physician practitioners that they are enrolled in the Medicare program for the sole purpose of ordering and referring items or services for Medicare beneficiaries to other providers and suppliers.

If, in the future, a physician and non-physician practitioner, as described in item 3 above, with a type listed above, who had been employed by the DVA, DOD or the PHS and now wishes to be reimbursed by Medicare for services performed, the current information to only order and refer items or services must be deactivated and the new information submitted via the appropriate paper enrollment application(s) or Internet-based PECOS as an update.

**NOTE:** The action reason code (AR) 51 shall be added by the contractor to the Multi-Carrier System (MCS) for physician and non-physician practitioners who enroll in Medicare solely to order or refer and so they cannot be reimbursed for any services to Medicare beneficiaries.

***14.21 – Model Approval Letter for Providers Who Order and Refer Only  
(Rev. 328; Issued: 03-19-10; Effective/Implementation Date: 04-19-10)***

CMS alpha representation  
Contractor

[Month Day & Year]

[Provider/Supplier Name]

[Address]

[City, State & Zip Code]

Dear [Insert Provider/Supplier name]:

We are pleased to inform you that you are in the Medicare program for the sole purpose of ordering and referring items or services for Medicare beneficiaries to other providers and suppliers. Listed below is the information reflected in your Medicare record.

Medicare Enrollment Information

Provider\supplier name: [Insert name]  
Practice location: [Insert address]  
National Provider Identifier (NPI): [Insert NPI]  
Specialty: [Insert provider/supplier specialty]

Please verify the accuracy of your information. If you disagree with any portion of this initial determination or have any questions, please call your Medicare Fee-For-Service contractor at [insert phone number] between the hours of [insert office hours].

Additional information about the Medicare program, including billing, fee schedules, and Medicare policies and regulations can be found at our Web site at [insert Web site address] or the Centers for Medicare & Medicaid Services' (CMS) Web site at [www.cms.hhs.gov/home/medicare.asp](http://www.cms.hhs.gov/home/medicare.asp).

Sincerely,

[Your Name]  
[Title]