Clarifying Medicare Reimbursement Documentation Requirements:
Everything Old is New Again

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Deanne Birch is President of HICAP, Inc., Consulting Services. The conflict of interest was resolved by peer review of slide content.

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Objectives:

• Describe the recent revisions in Medicare’s documentation requirements for DMEPOS reimbursement and why they are so important.

• Explain the importance of the Intake process for appropriately qualifying a patient for Medicare coverage criteria ...

• Review a case study that demonstrates successful qualification and documentation for PN therapy

• Explain the difference between Continued Use and Continued Need, and the documentation requirements for each

• Discuss the benefits of aligning your Medicare reimbursement processes with other operating requirements
Clarifying Medicare Reimbursement Documentation Requirements:
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Please turn cell phones on silent or off during presentation.
What Changed, and When?

• August 2011 – PIM Chapter 5, CMS made revisions to the provision for refills on recurring basis
  – All DMEPOS items that are refilled on a recurring basis are subject to these requirements.
  – Increased the number of days allowed to contact beneficiary prior to refill
• February 2012 – Standard Documentation Language to be added to all LCD’s
  – Include direction from supplier manuals & CMS interpretive manuals
• June 2012 – revised bulletin for Refill Request: Consumable vs. Non Consumable & approaching exhaustion requirement
What Changed, and When?

• August 2012 - NHIC FAQ’s Clarifies Non-consumable vs. Consumable supplies
  – All Inclusive Supply Kit Allowance for base product
  – Non Functional/Unusable determined for Non-consumable refills

• October 2012 – revised POD requirement for Ship verification
  – Evidence of Delivery
  – Date Delivered
Step I: Begin with the Intake Qualification Process

• Refer to the Medicare Policy Article & LCD for coverage criteria
  – Request the medical records, H&P, discharge summary, nutrition consults, lab reports (albumin & pre albumin), weight loss history, failed tube feeds

• Checklist for coverage criteria @ Intake

• Make a determination of coverage….or NOT
  – Do you need to execute an ABN?
  – Has patient been informed of their financial obligation?
Medicare reference for TPN

• Parenteral Nutrition L11576 & A37077
  – The LCD contains the diagnosis/medical condition, limitations of coverage and medical necessity information, covered HCPCs codes and modifiers
  – https://www.noridianmedicare.com/dme/coverage/docs/lcDs/current_lcDs/parenteral_nutrition.htm
  – The Policy Article contains the benefit information, definitions, coverage & payment rules, coding guidelines and revision history of changes.
  – https://www.noridianmedicare.com/dme/coverage/docs/lcDs/current_articles/parenteral_nutrition.htm
Acceptable Medical Record GENERAL (PIM 5.7 -5.9)

• Numerous reasonable and necessary (R&N) requirements in these sections:
  – Indications and Limitations of Coverage and/or Medical Necessity
  – Non-medical Necessity Coverage and Payment Rules
Acceptable Medical Record
GENERAL (PIM 5.7 -5.9)

• Documentation that is NOT sufficient for establishing an item is “reasonable and necessary” = any supplier-produced records, including:
  • Signed physician order forms
  • Letters of medical necessity, even if signed by the prescriber
Acceptable Medical Record

**GENERAL (PIM 5.7 - 5.9)**

- All templates and forms must corroborate with the medical record
  - Even CMS Certificates of Medical Necessity

- The “Contemporaneous” Medical Record is the source for justifying payment
  - Includes:
    - Physician office records
    - Records from hospitals
    - Records from LTC facilities
    - Home health agency records
    - Records from other healthcare professionals
Acceptable Medical Record

• **Initial** justification for medical need must be established at the time the item(s) is *first ordered*
  
  – Beneficiary medical record must have been created prior to OR at the time of the initial prescription or start of care
  
  – Initial justification entries with dates after the start of care will **not** be considered to support or justify reimbursement for initial start of service
Contemporaneous Medical Record

• Contemporaneous is defined as “existing or occurring in the same period of time”
  – Information must be consistent across documentation in all sites of care for each patient to justify payment

• Records from suppliers or anyone having financial interest in the claim are not sufficient for this justification
Case Study: New TPN Admit

• Review of Handouts:
  – Case Study
  – TPN Decision Tree
  – TPN Additional Documentation
  – TPN Checklist
  – ABN Completion
DISPENSING ORDERS (PIM 5.2.2)

- Equipment and supplies may be delivered upon receipt of a dispensing order except for those items that require a written order prior to delivery.
- A dispensing order may be verbal or written.
- The supplier must keep a record of the dispensing order on file.
DISPENSING ORDERS (PIM 5.2.2)

• Must contain:
  – Description of the item
  – Beneficiary’s name
  – Prescribing physician’s name
  – Date of the order and the start date, if the start date is different from the date of the order
  – Physician signature (if a written order) or supplier signature (if verbal order)

*NOTE: Ordering physician/professional may be different from the patient’s primary care or physician who will follow & treat.*
Detailed Written Order (DWO) (PIM 5.2.3)

• Required before billing
• Can be produced by someone other than the ordering physician
  – Ordering physician must review, sign and date DWO
• Should be completed based on the beneficiary’s supporting medical records
• Must contain all the elements (pump, supply kits, administration kits) that will be billed
Detailed Written Order (DWO) (PIM 5.2.3)

• Must clearly spell out length of need (duration)
• Requires signature authentication to be considered valid
• Recommended that the DME Information Form (DIF) is completed after the DWO has been signed and dated by the ordering physician
• *Stamped signatures are not acceptable!*
Example – TPN DWO Template

TPN ORDER  New RX: ___  Change to RX: ___ Renewal RX: ___
Expected duration of therapy: # of Months: ____________ Lifetime: ________
Medication to compound for (diagnosis) _______  _______  _______
TPN 3-in-1, ___ mL (B____) (B4189=10-51gm) (B4193=52-73gm) (B4197=74-100gm) (B4199=101+gms)
**CHOOSE CORRECT CODE AND DELETE ANY OTHERS**

Base Solution:
Amino Acid: ___ gm/day; ___mL/day of 15% amino acids
Dextrose: ___gm/day; ___mL/day of 70% dextrose
Lipids:______ gm/day; _____mL/day of 20% intralipids (B4185)
( Note: >50gr/day requires additional medical justification)
Final %= AA:__; Dextrose: __; Lipids: ___
Electrolytes:  Additives:  Patient additives:
Administer via ***** pump (B9004) over ___ hours with 1 hour ramp up and 1 hour ramp down.
TPN Administration kit (B4224) and TPN supply kit (B4220) per each day of TPN administration
Flush:  Change dressing:  Labs:
VO: Transcribed by:________________________ Date:__________  Signature_______________________
Physician signature, date, and signature authentication MUST be included.
Medical Record Information to Support Continued Use & Continued Need

**Continued USE**

- Ongoing utilization of supplies or a rental item by a beneficiary
- Suppliers must monitor utilization of DMEPOS rental items and supplies used on a continuing basis

**Continued Medical NEED**

- Supporting documentation to justify and support that the item continues to be used by the beneficiary and remains reasonable and necessary under the LCD criteria and policy article.

*Timely documentation is defined as a record in the preceding 12 months*
Continued USE Documentation

• Medical records OR Supplier records confirming a DMEPOS item continues to be used by the beneficiary
  – Timely documentation in the beneficiary’s medical record indicating that usage of the item and related supplies continues
  – Supplier records/ progress notes documenting the “Request for Refill” requirements have been met
  – Supplier record/progress notes document beneficiary confirmation of the continued use of a rental item
Request for Refills

• Items delivered to the beneficiary as refills require documentation at two points in time:
  – Documentation of contact to assess supply needs prior to each delivery or shipment
  – Documentation of receipt of delivery (proof of delivery)
Request for Refills

• The refill record must include:
  – Beneficiary’s name or authorized representative if different than the beneficiary
  – Date of refill request
  – A description of each item being requested
  – Information *documenting* that the beneficiary’s remaining supply is approaching exhaustion by the expected delivery date
  – Verification that the DMEPOS rental item is still being used
Request for Refills

• Proof of delivery (POD) is a supplier standard
  – DMEPOS suppliers must maintain POD documentation for seven years (PIM 4.26, 5.8)
  – Documented contact with the beneficiary must be no sooner than 14 days before current usage ends
  – Ship/delivery to the beneficiary must be no sooner than 10 days before current expected usage ends
Request for Refills

• Personal delivery by the supplier:
  – Delivery ticket must be signed and dated
  – Designee must be noted if other than beneficiary
  – *Signature date is the billing date of service on the claim*

• Ship/courier delivery service
  – Retain ship/delivery confirmation with beneficiary name, address, date shipped, and tracking number
  – *Ship date is the billing date of service on the claim*
Continued Medical NEED Annual Documentation

• For ongoing supplies and rental DME items, any of the following justifies continued medical need:
  – Recent order by the treating physician for refills
  – Recent change in prescription
  – Properly completed DIF with an appropriate length of need specified
  – Timely documentation in the medical record showing usage by the beneficiary
Continued Medical NEED
Annual Documentation

• Supplier documentation alone will not support continued need and is considered as supplemental documentation only
• Timely documentation is defined as a record in the preceding 12 months
Step II: Pharmacy Oversight & Challenges

• Changes to the initial order require return to Step I for review:
  – Dispense or Verbal order is a requirement again
  – Documentation to support medical justification for changes
  – Signed and dated DWO including ALL elements
  – DIF Revisions to manage changes to HCPC or ↑↓ amino acids or calories
Step II: Pharmacy Oversight & Challenges

• DIF is Supplier Attestation that the signed and dated DWO supports the patients medical record documentation, including any revisions
  – Supplier must print, sign, and retain copy of the DIF and DIF revisions
Step II: Pharmacy Oversight & Challenges

• Communication between Intake and Billing Staff
  – Use of DWO Templates & include HCPC on the Delivery Ticket
  – Progress notes, billing notes, alerts for changes in HCPC codes/DIF

• ALL refills must meet ALL the “Continued Use Request for Refill Requirements”
Implement Proven Processes & Policies to Meet DMEPOS Documentation Requirements

- Intake Process - Medical History Mandatory
- LCD & Articles – document qualifying factors
- Use Checklists – Team Review for determination of coverage
- ABN – be specific of notification of non-coverage
Implement Proven Processes & Policies to Meet DMEPOS Documentation Requirements

• Verbal Order & Detailed Written/signed Orders
  – All required elements contained
  – Repeat for all DIF revisions

• Continued Use
  – Progress note with each dispense
Implement Proven Processes & Policies to Meet DMEPOS Documentation Requirements

• Continued Need Documentation
  – Annual prescription renewals, including changes to DWO/DIF

• Proof of Delivery
  – Verification with each DT confirmation

• Implement an internal chart auditing process for compliance
References

- Program Integrity Manual (PIM)
- DMEPOS Supplier Manual LCD’S
  https://www.noridianmedicare.com/dme/coverage/lcd.html
References

• Medicare Claims Processing Manual:

• Standard Documentation Language for Local Coverage Determinations:
  https://www.noridianmedicare.com/dme/news/docs/2012/02_feb/standard_documentation_language_for_local_coverage_determinations.html%3f
Questions?

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