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...Interdisciplinary Team
• 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

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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 a 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!*

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Example – TPN DWO Template

**TPN ORDER**  
New RX: ___  Change to RX: ___  Renewal RX: ___

**Expected duration of therapy:** 4 of Months: _______  Lifetime: ______

**TPN 3-in-1:** mL (___)  (B4189=10-115mg) (B4193=15-175mg) (B4197=74-105mg) (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 (B4195)

**Note:** >50gr/day requires additional medical justification

**Final % AA:** ___; **Final % Dextrose:** ___; **Final % Lipids:** ___

**Electrolytes: Additives: Patient additives:**

**Administer via **** pump (B0004) 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.**

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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

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

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**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.
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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