How to Avoid PECOS Ordering Physician Denials

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(GEN)

Currently, suppliers are receiving the N544 message on their remittance advice for claims that fail the ordering physician edits. Claims submitted with the same error once the edits are implemented will be denied.

**N544 Alert:** Although this was paid, you have billed with a referring/ordering provider that does not match our system record. Unless corrected, this will not be paid in the future.

Medicare will only reimburse for specific items or services when those items or services are ordered by providers or suppliers authorized by Medicare statute and regulation to do so. Claims that a supplier submits in which the ordering provider is not authorized by statute and regulation will be denied as a noncovered service. The denial will be based on the fact that neither statute nor regulation allows coverage of certain services when ordered or referred by the identified supplier or provider specialty.

CMS has highlighted the following limitations:

- Chiropractors are not eligible to order or refer supplies or services for Medicare beneficiaries. All services ordered or referred by a chiropractor will be denied.
- Optometrists may only order and refer DMEPOS products/services, and laboratory and x-ray services payable under Medicare Part B.

We recommend that suppliers who are currently receiving N544 messages take the following steps in the order listed to correct the claim and avoid claim rejections:

1. Confirm the provider is a specialty that can order DMEPOS. The following is a list of those eligible to order and refer item/services for Medicare beneficiaries:
   - Physicians (doctor of medicine or osteopathy, doctor of dental medicine, doctor of dental surgery, doctor of podiatric medicine, doctor of optometry),
   - Physician Assistants,
   - Clinical Nurse Specialists,
   - Nurse Practitioners,
   - Clinical Psychologists,
   - Interns, Residents, and Fellows,
   - Certified Nurse Midwives, and
   - Clinical Social Workers.

2. Verify that the ordering physician NPI is on the list of physicians and other non-physician practitioners enrolled in PECOS. This can be done by:
   a. Checking the CMS ordering/referring provider downloadable report which contains the NPI, first name, and last name of providers enrolled in PECOS located on the CMS Web site at:  
      [www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/MedicareOrderingandReferring.html](http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/MedicareOrderingandReferring.html)
   b. Calling the NHIC, Corp. DME MAC IVR, 866-419-9458 and select Option 8; enter the NPI, first and last name of the referring provider. The IVR will respond if the individual is or is not enrolled in PECOS.
3. Ensure that the Ordering/Referring Provider’s name is entered correctly on the claim. The edits will compare the first letter of the first name and the first four letters of the last name.
   - Do not use “nicknames” on the claim, as this could cause the claim to fail the edits.
   - Do not enter a credential (e.g., “Dr.”) in a name field.
   - On paper claims (CMS-1500), enter the ordering provider’s first name first, and last name second (e.g., John Smith), in Item 17 and only include the first and last name as it appears on the ordering and referring file.
   - Ensure that the name and the NPI for the ordering provider belong to a physician or non-physician practitioner and not to an organization, such as a group practice that employs the physician or non-physician practitioner who generated the order.
   - On electronic claims, ensure that you are not submitting the last name in the first name field and vice versa.
   - Confirm the ordering physician’s name is spelled correctly as listed in the PECOS listing and that the qualifier in the 2310A NM102 loop is a 1 (person). Organizations (qualifier 2) cannot order and refer.

Additional information is available at:
   - The PECOS Highlights & Headlines Page at: www.medicarenhic.com/dme/dme_pecos.shtml