PUBLICATION

Avoid Lost Revenue: Understand the Change in Effective Date of Medicare Enrollment

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Many physicians, non-physician practitioners, and other suppliers are losing revenue for failing to update credentialing and enrollment policies and procedures to account for the change in the Medicare enrollment rules. Under the prior rules, upon successful completing of the Medicare enrollment process, a supplier (which includes individual practitioners and practitioner groups) could bill for services that had already been provided, so long as the time period for filing a claim had not expired.

In some cases, claims for dates of service as far back as 27 months prior to completing the Medicare enrollment or reassignment process could be submitted and would be paid. Since this ability to bill for prior services existed, obtaining Medicare enrollment had not always been the first priority when hiring or contracting with a new practitioner or after starting or acquiring a new business.

That all changed January 1, 2009, when CMS implemented the Final Rule for the 2009 Medicare Physician Fee Schedule. Under the new rule, the effective date of enrollment for certain suppliers is the later of:

- The date that the Medicare enrollment contractor receives (evidenced by a date stamp) the completed enrollment packet, so long as the enrollment application packet is complete and is subsequently approved, or
- The date that an enrollee first started rendering services at a new practice location.

Applicants who choose to start providing services to Medicare beneficiaries after the application is filed and before it is processed *risk not being able to be paid for such services* if the application is subsequently rejected or returned unprocessed. Through manual guidance, CMS identified reasons in which the enrollment contractor may return an application unprocessed. Should this occur, the applicant must initiate the process all over again and obtain a new application receipt date establishing a new effective date if ultimately processed.

To offset some of the harshness of the new rule, CMS instructed contractors to deny applications that were incomplete, rather then simply rejecting and returning the application. A denial of billing privileges entitles the applicant to appeal rights and the appeal process preserves the earlier filing date as the effective date of enrollment, if the appeal is successful.

The rule, however, provides *no appeal rights when the application is rejected or returned unprocessed or when there is a dispute regarding the effective date*, such as in a case where the contractor did not indicate the application was received until several weeks after it was delivered to the contractor. It is, therefore, important to have a thorough working knowledge of the enrollment process, including the forms to complete, the reasons for which an application can be returned unprocessed, and the ways to facilitate and monitor the initial enrollment or reassignment application processing.

Not only was the rule a drastic change in policy, but CMS provided little warning for the change. CMS first indicated its intent to change the rule when it asked for comments to two different options for establishing the supplier's enrollment effective date in the Proposed Rule for the 2009 Medicare Physician Fee

Schedule published in July 2009. Despite numerous comments to maintain the status quo, CMS implemented the change.

CMS believed the change was needed to ensure that groups, clinics, and individuals enrolling in the Medicare program meet the applicable qualification and performance standards before making any payments for Medicare-covered services. The final rule did include one change which CMS made in response to comments. A 30-day look-back period (90 days for certain declared national disasters) was established, which allows payments for services provided in the immediate 30-day period prior to the effective date of enrollment. Although a far cry from the prior 27-month period, it does allow a brief time period to complete and submit the enrollment packet after the hire date.

Individual practitioners and groups should modify credentialing and enrollment practices to account for this enrollment rule change. Consider policies which start the Medicare enrollment or reassignment process in advance of when the individual is hired or scheduled to provide services. And, if an application is returned unprocessed or rejected, make sure that the reason for doing so was appropriate and, if not, work with the contractor to get an agreement to process the forms as originally filed to preserve the earlier effective filing date.