Medicare Learning Network

CMS CENTERS for MEDICARE & MEDICAID SERVICES

Provider Inquiry Assistance

Edits on the Ordering/Referring Providers in Medicare Part B Claims (Change Requests (CRs) 6417, 6421, and 6696) – JA1011

Related CR Release Date: N/A **Date Job Aid Revised:** April 6, 2010

Effective Date: N/A **Implementation Date:** N/A

Key Words: SE1011, CR6421, CR6417, MM6417, MM6421, CR6696, R642OTN, R643OTN, R328PI

Contractors Affected

- Medicare Carriers
- Part B Medicare Administrative Contractors (MACs)
- Durable Medical Equipment (DME) MACs

Provider Types Affected

Provider types affected are physicians, non-physician practitioners (including residents, fellows, and those employed by the Department of Veterans Affairs or the Public Health Service) who order or refer items or services for Medicare beneficiaries, Part B providers, and suppliers who submit claims to carriers, Part B MACs, and DME MACs for items or services that they furnished as the result of an order or a referral.

- Providers who order or refer items or services for Medicare beneficiaries and do not have an enrollment record in the Provider Enrollment, Chain and Ownership System (PECOS) need to submit an enrollment application to Medicare.
- This can be done using Internet-based PECOS or by completing the paper enrollment application (CMS-855I).
- If a provider reassigns their Medicare benefits to a group or clinic, they will also need to complete the CMS-855R.

Phase One

- **Beginning October 5, 2009**, if the billed Part B service requires an ordering/referring provider and the ordering/referring provider is not reported on the claim, the claim will not be paid.
- If the ordering/referring provider is reported on the claim but does not have a current enrollment record in PECOS or is not of a specialty that is eligible to order and refer, the claim will be paid, and the billing provider will receive an informational message in the remittance indicating that the claim failed the ordering/referring provider edits.

Phase Two

- **Beginning January 3, 2011**, Medicare will reject Part B claims that fail the Ordering/Referring Provider edits.
- Physicians and others who are eligible to order and refer items or services need to establish their Medicare enrollment records in PECOS and must be of a specialty that is eligible to order and refer.
- Enrolled physicians and non-physician practitioners who do not have enrollment records in PECOS and who submit enrollment applications in order to get their enrollment information into PECOS should not experience any disruption in Medicare payments, as a result of submitting enrollment applications.

Provider Needs to Know…

- Enrollment applications must be processed in accordance with existing Medicare instructions.
  - It is possible that it could take 45-60 days, sometimes longer, for Medicare enrollment contractors to process enrollment applications.
  - All enrollment applications, including those submitted over the web, require verification of the information reported.
  - Sometimes, Medicare enrollment contractors may request additional information in order to process the enrollment application.
- Waiting too late to begin this process could mean that a provider's enrollment application will not be able to be processed prior to the implementation date of Phase 2 of the Ordering/Referring Provider edits, which is January 3, 2011.

Questions and Answers Relating to the Edits

What will the edits do?

- The edits will determine if the Ordering/Referring Provider (when required to be identified in a Part B claim) (1) has a current Medicare enrollment record (i.e., the enrollment record is in PECOS and it contains the National Provider Identifier (NPI)), and (2) is of a type that is eligible to order or refer for Medicare beneficiaries.

Why did Medicare implement these edits?

- These edits help protect Medicare beneficiaries and the integrity of the Medicare program.

How and when will these edits be implemented?

- **Phase 1** began on October 5, 2009, and is scheduled to end on January 2, 2011. In Phase 1, if the Ordering/Referring Provider does not pass the edits, the claim will be processed and paid (assuming there are no other problems with the claim), but the Billing Provider (the provider who furnished the item or service that was ordered or referred) will receive an informational message[1] from Medicare in the Remittance Advice[2].
- The informational message will indicate that the identification of the Ordering/Referring provider is missing, incomplete, or invalid, or that the Ordering/Referring Provider is not eligible to order or refer. The informational message on an adjustment claim that does not pass the edits will indicate that the claim/service lacks information that is needed for adjudication.
- **If the billed service requires an ordering/referring provider and the ordering/referring provider is not on the claim, the claim will not be paid.**
- **Phase 2** is scheduled to begin on January 3, 2011, and will continue thereafter. In Phase 2, if the Ordering/Referring Provider does not pass the edits, the claim will be rejected. This means that the Billing Provider will not be paid for the items or services that were furnished based on the order or referral.

Actions Taken to Reduce the Number of Informational Messages

- In December 2009, the Centers for Medicare & Medicaid Services (CMS) added the NPIs to more than 200,000 PECOS enrollment records of physicians and non-physician practitioners who are eligible to order and refer but who had not updated their PECOS enrollment records with their NPIs.
- On January 28, 2010, CMS made available to the public, via the Downloads section of the "Ordering Referring Report" page on the Medicare provider/supplier enrollment website, a file containing the NPIs and the names of physicians and non-physician practitioners who have current enrollment records in PECOS and are of a type/specialty that is eligible to order and refer.
- The file, called the Ordering Referring Report, lists, in alphabetical order based on last name, the NPI and the name (last name, first name) of the physician or non-physician practitioner.
- To keep the available information up to date, CMS will replace the report on a periodic basis.
- At any given time, only one report (the most current) will be available for downloading.
- To learn more about the Report and to download it, providers should go to *http://www.cms.gov/MedicareProviderSupEnroll*; click on "Ordering Referring Report" (on the left). Information about the Report will be displayed.

1 The informational messages vary depending on the claims processing system.

2 DMEPOS suppliers who submit paper claims will not receive an informational message on the Remittance Advice.

Effect of Edits on Providers

A. The provider orders and refers. How will they know if they need to take any sort of action with respect to these two edits?

- In order for the claim from the Billing Provider (the provider who furnished the item or service) to be paid by Medicare for furnishing the item or service that was ordered or referred, ordering providers must ensure their PECOS record is current as described below.

  1. **The provider's enrollment record is current (it is in PECOS and it includes the NPI).**
     - If the provider enrolled in Medicare after 2003, the enrollment record is in PECOS and CMS may have added the NPI to it.
     - If the provider enrolled in Medicare prior to 2003 but submitted an update(s) to the enrollment information since 2003, the enrollment record is in PECOS and CMS may have added the NPI to it.
     - If the provider enrolled in Medicare prior to 2003 and has not submitted an update to the Medicare enrollment information in six or more years, the provider does not have an enrollment record in PECOS. The provider **needs to take action to establish one. See the last bullet in this section.**
     - If there is a question, the provider may:
       - Check the Ordering Referring Report mentioned above, and if the provider is on that report, the provider has a current enrollment record in Medicare (that is, the enrollment record is in PECOS and it contains the provider's NPI);
       - Contact their designated Medicare enrollment contractor and ask if they have an enrollment record in PECOS that contains the NPI; or
       - Use Internet-based PECOS to look for their PECOS enrollment record (if no record is displayed, the provider does not have an enrollment record in PECOS). If the provider chooses this option, they should read the information on the Medicare provider/supplier enrollment web page about Internet-based PECOS before they begin.

  2. **If a provider does not have an enrollment record in PECOS, the provider** needs to submit an enrollment application to Medicare electronically or via paper form.

     Electronically

     - **Use Internet-based PECOS** to submit the enrollment application over the Internet to the designated Medicare enrollment contractor. The provider will have to print, sign, and date the Certification Statement and mail the Certification Statement, and any required supporting paper documentation, to the designated Medicare enrollment contractor.
     - The designated enrollment contractor cannot begin working on the application until it has received the signed and dated Certification Statement. If the

provider will be using Internet-based PECOS, the provider should visit the Medicare provider/supplier enrollment web page to learn more about the web-based system before he attempts to use it.

- Providers should go to *http://www.cms.gov/MedicareProviderSupEnroll*, click on "Internet-based PECOS" on the left-hand side, and read the information that has been posted there. They can download and read the documents in the Downloads Section on that page that relate to physicians and non-physician practitioners. A link to Internet-based PECOS is included on that web page.

Note for physicians/non-physician practitioners who reassign all their Medicare benefits to a group/clinic: If a provider reassigns all of their Medicare benefits to a group/clinic, the group/clinic must have an enrollment record in PECOS in order for the provider to enroll via the web. The provider should check with the officials of the group/clinic or with the designated Medicare enrollment contractor if unsure if the group/clinic has an enrollment record in PECOS. If the group/clinic does not have an enrollment record in PECOS, the provider will not be able to use the web to submit the enrollment application to Medicare. The provider will need to submit a paper application.

Paper Form (CMS-855)

- **Providers should obtain a paper enrollment application (CMS-855I)**, fill it out, sign and date it, and mail it, along with any required supporting paper documentation, to the their designated Medicare enrollment contractor.
- If the provider reassigns all his/her Medicare benefits to a group/clinic, the provider will also need to fill out, sign and date the CMS-855R, obtain the signature/date signed of the group's Authorized Official, and mail the CMS-855R, along with the CMS-855I, to the designated Medicare enrollment contractor.
- Enrollment applications are available for downloading from the CMS forms page (*http://www.cms.gov/cmsforms*) or by contacting the designated Medicare enrollment contractor.

Note about physicians/non-physician practitioners who have opted-out of Medicare but who order and refer: Physicians and non-physician practitioners who have opted out of Medicare may order items or services for Medicare beneficiaries. Their opt-out information must be current (an affidavit must be completed every 2 years, and the NPI is required on the affidavit). Opt-out practitioners whose affidavits are current should have enrollment records in PECOS that contain their NPIs.

3. **The provider has a type/specialty that can order or refer items or services for Medicare beneficiaries.** When providers enrolled in Medicare, they indicated their Medicare specialty. **Any** physician specialty and **only** the non-physician practitioner specialties listed in the Background section below are eligible to order or refer in the Medicare program.

B. The provider bills Medicare for items and services that were ordered or referred. How can the provider be sure that their claims for these items and services will pass the Ordering/Referring Provider edits?

- Billing providers need to ensure that Medicare claims for items or services that they furnished based on orders or referrals will pass the two edits on the Ordering/Referring Provider, so that they will not receive informational messages in Phase 1 and that the claims will be paid in Phase 2.
- Providers need to use due diligence to ensure that the physicians and non-physician practitioners from whom they accept orders and referrals have current Medicare enrollment records (i.e., they have enrollment records in PECOS that contain their NPIs) and are of a type/specialty that is eligible to order or refer in the Medicare program.
- If providers are not sure that the physician or non-physician practitioner who is ordering or referring items or services meets those criteria, they should check the Ordering Referring Report described earlier in this job aid. The providers should also ensure they are correctly spelling the Ordering/Referring Provider's name.
- If the provider furnished items or services from an order or referral from someone on the Ordering Referring Report, the claim should pass the Ordering/Referring Provider edits.
- Providers should keep in mind that this Ordering Referring Report will be replaced about once a month to ensure it is as current as practicable. It is possible, therefore, that providers may receive an order or a referral from a physician or non-physician practitioner who is not listed in the Ordering Referring Report but who may be listed on the next report. Providers may resubmit a claim that did not initially pass the Ordering/Referring Provider edits.

Make Sure Claims are Properly Completed

- Providers should not use "nicknames" on the claim, as their use could cause the claim to fail the edits (e.g., Bob Jones instead of Robert Jones will cause the claim to fail the edit, as the edit will look for R, not B, as the first letter of the first name).
- Do not enter a credential (e.g., "Dr.") in a name field. On paper claims (CMS-1500), in item 17, providers should enter the Ordering/Referring Provider's first name first, and last name second (e.g., John Smith).
- Providers should ensure that the name and the NPI entered for the Ordering/Referring 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 or referral.
- Providers should make sure that the qualifier in the electronic claim (X12N 837P 4010A1) 2310A NM102 loop is a 1 (person). Organizations (qualifier 2) cannot order and refer. If there are additional questions about the informational messages, Billing Providers should contact their local carrier, A/B MAC, or DME MAC.

> Billing Providers should be aware that claims that are rejected because they failed the Ordering/Referring Provider edits are not denials of payment by Medicare that would expose the Medicare beneficiary to liability. Therefore, **an Advance Beneficiary Notice is not appropriate**.

Additional Guidance

Orders or Referrals by Interns or Residents

- Interns are not eligible to enroll in Medicare because they do not have medical licenses.
- Unless a resident (with a medical license) has an enrollment record in PECOS, he/she may not be identified in a Medicare claim as the Ordering/Referring Provider.
- The teaching, admitting, or supervising physician is considered the Ordering/Referring Provider when interns and residents order and refer, and that physician's name and NPI would be reported on the claim as the Ordering/Referring Provider.

Orders or Referrals by Physicians and Non-physician Practitioners who Work for the Department of Veterans Affairs, the Public Health Service, or the Department of Defense/Tricare and are of a Type/specialty that are Eligible to Order and Refer

- These physicians and non-physician practitioners will need to enroll in Medicare in order to continue to order or refer items or services for Medicare beneficiaries.
- They may do so by filling out the paper CMS-855I or they may use Internet-based PECOS.
- They must include a covering note with the paper application or with the paper Certification Statement that is generated when submitting a web-based application that states that they are enrolling in Medicare only to order and refer.
- They will not be submitting claims to Medicare for services they furnish to Medicare beneficiaries.

Orders or Referrals by Dentists

- Medicare does not cover most dental services. Therefore, most dentists do not enroll in Medicare.
- Dentists are a specialty that is eligible to order and refer items or services for Medicare beneficiaries (e.g., to send specimens to a laboratory for testing). To do so, they must be enrolled in Medicare.
- They may enroll by filling out the paper CMS-855I or they may use Internet-based PECOS.
- They must include a covering note with the paper application or with the paper Certification Statement that is generated when submitting a web-based application that states that they are enrolling in Medicare only to order and refer.
- They will not be submitting claims to Medicare for services they furnish to Medicare beneficiaries.

Background	• CMS has implemented edits on Ordering and Referring Providers when they are required to be identified in Part B claims from Medicare providers or suppliers who furnished items or services as a result of orders or referrals.
	• Examples of some of these types of claims are:
	  • Claims from laboratories for ordered tests;
	  • Claims from imaging centers for ordered imaging procedures;
	  • Claims from suppliers of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) for ordered DMEPOS; and
	  • Claims from specialists or specialty groups for referred services.
	• Only physicians and certain types of non-physician practitioners are eligible to order or refer items or services for Medicare beneficiaries. They are:
	  • Physician (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, and
	  • Clinical Social Worker.

Operational Impact	N/A
Reference Materials	The related MLN Matters® article can be found at *http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE1011.pdf* on the CMS website. Providers may want to review the following related CRs: • CR6417 at *http://www.cms.gov/Transmittals/downloads/R642OTN.pdf* on the CMS website; • CR6421 at *http://www.cms.gov/Transmittals/downloads/R643OTN.pdf* on the CMS website; and • CR6696 at *http://www.cms.gov/Transmittals/downloads/R328PI.pdf* on the CMS website.