

2011 IPPS Proposed Rule Includes Changes to Provider Enrollment Effective Dates

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On April 19, 2010, the Centers for Medicare & Medicaid Services (CMS) issued an Inpatient Prospective Payment System (IPPS) proposed rule for fiscal year 2011. As part of the proposed rule, CMS is proposing changes affecting the determination of the effective date of provider agreements and supplier approvals under Medicare.

In general, the requirements for participation in the Medicare program include meeting Medicare health and safety standards. Compliance with health and safety standards is determined through an onsite survey by a State survey agency, CMS staff, or a CMS contractor, or CMS may deem an entity to have satisfied these requirements if it has been accredited by a national accreditation program approved by CMS, such as the Joint Commission.

In practice, providers have typically received their Medicare certification on the date their survey by the State or accreditation organization is successfully completed even if their fiscal intermediary (FI) or Medicare administrative contractor (MAC), as applicable, is still finalizing the provider's Medicare enrollment application. However, in the proposed rule, CMS is stating that not only must the survey/accreditation decision show that the prospective provider or supplier is in compliance with all of the applicable health and safety standards, but also that all other federal requirements related to the prospective provider's or supplier's

participation in the Medicare program, including the review and approval of the enrollment application by the applicable FI or MAC, be met.

In the proposed rule, CMS did acknowledge the date of an accreditation decision has at times preceded the date when the CMS contractor has verified that the enrollment requirements have been met. According to CMS, this has tended to happen more frequently in the case of facilities seeking accreditation by a CMS-approved accreditation program, because the accreditation organization relies upon the facility to advise it when it has received notice of the completion of the review of its enrollment application.

Pursuant to the proposed change, in cases where the CMS contractor determines that the prospective provider's or supplier's compliance with enrollment requirements did not occur until after a survey by the State survey agency or after the accreditation survey and decision takes place, CMS's policy is to make the effective date of the provider agreement or supplier approval the date when the enrollment requirements are considered to have been met – that is, the date determined by the CMS contractor to be the date the applicant is in compliance with all enrollment requirements. This is also the date CMS will convey Medicare billing privileges to the provider or supplier, unless there are other requirements that remain to

be satisfied, such as the submission of required civil rights compliance documentation or satisfaction of the specialized requirements governing IPPS-excluded hospitals. If there are unsatisfied requirements, the effective date will be the date the last requirement has been satisfied, as determined by CMS.

Thus, CMS has made it clear that the historical practice of Medicare certification being effective on the date the State survey or the accreditation survey and decision is successfully completed, even if the FI or carrier is still processing the final pieces of the enrollment application, is likely coming to an end. Instead, CMS intends provider certification not to be effective until the survey is successfully completed and the entire enrollment application,

including potentially smaller, more insignificant aspects of the application, have been fully processed and approved. This has implications for any providers budgeting and setting timelines about initiating operations. In particular, providers may want to consider submitting their enrollment application earlier than planned to ensure adequate time for processing of the application and responding to requests.

Comments to the proposed rule are due on June 18, 2010. CMS will issue the final IPPS rule for fiscal year 2011 no later than August 1, 2010. This change is proposed as of now and could be modified or deleted in the final rule. The full text of the proposed rule can be found on CMS's website at <http://www1.cms.gov/AcuteInpatientPPS/IPPS2010/list.asp>.

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