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Strengthening Provider and Supplier Enrollment Screening

The Affordable Care Act (ACA) provided tools to enhance the Centers for Medicare & Medicaid Services' (CMS) ability to screen providers and suppliers upon enrollment and identify those that may be at risk for committing fraud, including the use of risk-based screening of providers and suppliers. In addition to implementing the tools provided by the ACA, CMS is strengthening strategies designed to reinforce provider screening activities by increasing site visits to Medicare-enrolled providers and suppliers, enhancing and improving information technology (IT) systems, and implementing continuous data monitoring practices to help make sure practice location data is accurate and in compliance with enrollment requirements.

A recent report by the Government Accountability Office (GAO) reviewed the implementation of some of CMS' screening procedures that are used to prevent and deter ineligible or potentially fraudulent providers and suppliers from enrolling in the Medicare program. The GAO concluded that, as part of an overall effort to enhance program integrity and reduce fraud risk, effective enrollment and screening procedures are essential to make sure that ineligible or potentially fraudulent providers and suppliers do not enroll in the program and that CMS has taken steps to develop and implement such procedures. The GAO analysis identified areas for improvement in our Provider Enrollment Chain and Ownership System (PECOS) regarding verification of provider and supplier practice locations and physician licensure statuses. Providers and suppliers are required to supply the address of the location from which services are offered on their Medicare enrollment applications.

The GAO's findings supported CMS' efforts to further enhance provider and supplier screening activities. CMS has begun increasing site visits to Medicare-enrolled providers and suppliers, enhancing and improving IT systems and implementing continuous data monitoring practices to help make sure practice location data is accurate and in compliance with enrollment requirements.

Summary

CMS is strongly committed to protecting the integrity of the Medicare program, including making sure providers and suppliers enrolled in Medicare are qualified and legitimate. The Affordable Care Act provided tools to enhance our ability to screen and identify those providers and suppliers that may be at risk for committing fraud. In our effort to continuously enhance Medicare program integrity and use information identified by the GAO, CMS is strengthening strategies designed to reinforce provider screening activities, specifically:

1. Utilizing the National Site Visit Contractor (NSVC) to increase the number of site visits to Medicare-enrolled providers and suppliers;
2. Enhancing address verification software in PECOS to better detect vacant or invalid addresses or commercial mail reporting agencies (CMRA);
3. Analyzing enrollment data to allow us to identify and deactivate providers or suppliers meeting specific criteria that have not billed Medicare in the last 13 months; and
4. Monitoring and identifying potentially invalid addresses on a monthly basis through additional data analysis by checking against the U.S. Postal Service address verification database.

Background

Section 1866(j) of the Social Security Act (the Act) requires the Secretary to establish an enrollment process for Medicare providers and suppliers. Providers and suppliers enrolled in the Medicare program have specific obligations to, among other things, notify CMS of any address, licensure or other changes that may impact enrollment (42 C.F.R. § 424.516). Maintaining accurate addresses of the location from which providers and suppliers offer services is vital to protecting the integrity of the enrollment process.

Increasing the Number of Site Visits

CMS has the authority, when deemed necessary, to perform onsite review of a provider or supplier to verify that the enrollment information submitted to CMS or its agents is accurate and to determine compliance with Medicare enrollment requirements (42 C.F.R. 424.517). Under this authority, CMS is now increasing site visits, initially targeting those providers and suppliers receiving high reimbursements by Medicare that are located in high-risk geographic areas.

CMS believes that increasing site visits, improving IT systems, and conducting continuous data monitoring will strengthen the integrity of the Medicare program while minimizing burden on the provider community. CMS will continue to advise the provider and supplier community of the importance of maintaining accurate, up-to-date provider enrollment practice location information. It is important that the provider community continue to inform CMS of any changes to their enrollment, as required.

System Enhancements & Updated Processing Direction

CMS will also replace the current PECOS address verification software with new software starting in CY2016 that not only includes the existing functionality but also Delivery Point Verification (DPV). This new DPV functionality will flag addresses that may be vacant, CMRAs or invalid addresses. These verifications will take place during the application submission process and may trigger ad hoc site visits.

Continuous Data Monitoring

On a monthly basis, CMS will run additional analyses on enrollment data to deactivate providers or suppliers meeting specific criteria that have not billed Medicare in the last 13 months. CMS may exclude providers and suppliers from deactivation for non-billing, including: those enrolled solely to order, refer, and prescribe or certain specialty types, e.g. pediatricians, dentists and mass immunizers (roster billers). This approach will remove providers and suppliers with potentially invalid addresses from PECOS without requiring site visits.

CMS now continuously monitors and identifies addresses that may have become vacant or non-operational after initial enrollment. This monitoring is done through monthly data analysis that validates provider enrollment practice location addresses against the USPS address verification database.

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