

**MOA MEMBERS**  
**FROM SUE A. WEINGARTNER, EXECUTIVE DIRECTOR**  
**JUNE 30, 2010**

**CMS TO REVIEW PROVIDER ENROLLMENT, CHAIN AND OWNERSHIP SYSTEM (PECOS)  
ENROLLMENT PROCESS**

CMS is not going to reject claims beginning July 6 (we already knew this informally), CMS continues to try to improve the enrollment process (long overdue), and CMS will implement a contingency plan since the Affordable Care Act requires all orders and referrals to be written by physicians who are enrolled in Medicare.

---

**CMS TO REVIEW PECOS ENROLLMENT PROCESS**

**Medicare Working with Ordering and Referring Providers and Suppliers to Streamline  
Enrollment Process**

The Centers for Medicare & Medicaid Services (CMS) is working with providers to address concerns about enrollment in the Provider Enrollment, Chain and Ownership System (PECOS) to ensure that Medicare beneficiaries continue to receive the health care services and items they need. PECOS is the electronic system used to enroll physicians and eligible professionals into the Medicare program.

As part of those efforts, CMS will, for the time being, not implement changes that would automatically reject claims based on orders, certifications, and referrals made by providers that have not yet had their applications approved by July 6, 2010. While more than 800,000 physicians and other health professionals have enrolled and have approved applications in the PECOS system, some providers have encountered problems. CMS is continuing to update and streamline the process, and more providers have been enrolled in the past few days.

CMS issued an interim final regulation on May 5, 2010 implementing provisions of the Affordable Care Act that permit only a Medicare enrolled physician or eligible professional to certify or order home health services, durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS), and certain items and services under Medicare Part B. The new law applies to orders, referrals and certifications made on or after July 1. The comment period for the regulation closes on July 6, after which the comments will be reviewed and considered before a final regulation is issued.

The Affordable Care Act provisions and the regulation were designed as steps to prevent fraud in Medicare by ensuring that only eligible and identifiable providers and suppliers can order and refer covered items and services to Medicare beneficiaries.

Many physicians and other providers and suppliers have continued to make good faith efforts to comply with the requirements of the law and regulation. These efforts will be a significant factor in determining the procedures and processes that will be incorporated in the final rule.

While the regulation will be effective July 6, 2010, CMS will not implement automatic rejections of claims submitted by providers that have attempted to enroll in PECOS. However, until the automatic rejections are operational, providers should not see any change in the processing of submitted claims, they will continue to be reviewed and paid as they have historically been reviewed and paid.

Additionally, though CMS is taking a more deliberative approach to using the PECOS enrollment system, the agency will employ a contingency plan to meet the ACA requirement that written orders and certifications are only issued by eligible professionals effective July 1.

CMS will continue to send informational notices to providers reminding them of the need to submit or update their enrollment and will work with the provider community to provide guidance on enrollment and will process all applications expeditiously.