

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



MEMORANDUM

DATE: March 14, 2017

TO: William Parham, III, Director,
Division of Regulations Development,
Office of Strategic Operations and Regulatory Affairs

FROM: Maria Ramirez, Director,
Division of Appeals Operations,
Medicare Enrollment and Appeals Group, Center for Medicare

SUBJECT: Response to Comments Received on CMS-10633, Qualified
Independent Contractor (QIC) Demonstration Evaluation
Contractor (QDEC): Analyze Medicare Appeals to Conduct
Formal Discussions and Re-Opening with Suppliers

The Medicare Enrollment and Appeals Group (MEAG) has reviewed and considered the feedback received in response to Paperwork Reduction Act (PRA) package CMS-10633, QIC Demonstration Evaluation Contractor (QDEC): Analyze Medicare Appeals to Conduct Formal Discussions and Re-Opening with Suppliers.

One organization submitted comments: the American Association for Homecare (AAHomecare). AAHomecare is a national association representing the interests of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) suppliers. AAHomecare members include a cross section of manufacturers, suppliers, and other industry stakeholders that make or furnish DMEPOS items that beneficiaries use in their homes.

Our responses to the comments and whether we have revised requirements or burden estimates are noted below.

Responses to Comments Received on CMS-10633, QIC Demonstration Evaluation Contractor (QDEC): Analyze Medicare Appeals to Conduct Formal Discussions and Re-Opening with Suppliers.

PRA Sections	Clarification/Response	Revision/ Change N – No Change	Level of Applicant Burden I = Increases burden D – Decreases burden N – No Change
General Comments/Non-Specific to PRA Sections			
<p>Review MAC Denial Reasons: Commenter recommends CMS gather data on the type and volume of denials overturned at the QIC that are found to be an error on the part of the auditing or processing contractor. Commenter noted to improve the appeals backlog, education on claims processing must target both suppliers and contractors.</p> <p>Commenter further noted that the Demonstration is focused on educating suppliers, but in order to have a comprehensive approach on resolving the current appeals backlog, it is vital to involve the Durable Medical Equipment Medicare Administrative Contractors (DME MACs) in the education process. In order to ensure there is consistency throughout the appeals process, DME MACs should be notified regularly when appeals are overturned due to an error in review of the documentation at the DME MAC.</p> <p>Commenter encourages CMS to compare and contrast the overturn rates between the two DME MACs in the Demonstration to see if there are opportunities to educate the MACs on Local Coverage Determinations</p>	<p>CMS has considered the feedback provided. However, these comments are outside the current scope of this data collection effort. CMS would like to note that the purpose of the data collection effort under this PRA package is to provide data to support analysis of the effectiveness of the Medical Appeals Demonstration to Conduct Formal Telephone Discussions with Suppliers and to determine whether further engagement between suppliers and the QIC improves the understanding of the reasons for claims and over time, results in more proper claims submissions from suppliers participating in the demonstration.</p> <p>CMS has also considered the commenter’s feedback relative to comparative analysis of the overturn rate. However this feedback is outside the current scope of this data collection effort. CMS would like to clarify that the purpose of the evaluative data collection effort under this PRA package is to collect information via surveys and key informant interviews, in order to measure Demonstration participant satisfaction with the Demonstration discussion process and support the larger data collection effort to evaluate the overall effectiveness of the Demonstration. Specifically, the data will help CMS determine whether further engagement between suppliers and the QICs improves suppliers’ understanding of the reasons for claim denials, and over time will result in more proper claim submissions.</p>	N	N
<p>Reevaluate DME Coverage Policies: Commenter recommends CMS conduct a study on the</p>	<p>CMS has considered the feedback provided. However the feedback is outside the current scope of this data collection effort. CMS would like to note that the</p>	N	N

<p>complexities of the DME coverage policies. Due to the prescriptive language of the regulations for DMEPOS claims, auditing and processing contractors often overlook the intention of the regulation. For example, proof of delivery (POD) is one of the top denial reasons for DMEPOS claims. In many instances the reason for the denial is because the POD is signed the day before the date of service that was billed on the claim, or the relationship of the person signing the delivery ticket is not listed. The intention of the POD is to establish the fact that the patient has received the equipment and many times auditing contractors deny a claim or uphold an appeal because of the prescriptive requirements in LCDs, articles, and the Program Integrity Manual (PIM).</p> <p>Commenter recommends CMS evaluate policies that are disproportionately contributing to the appeals backlog and adjust the language to meet the intent of the requirement by allowing for some flexibility. For example, if the intent of the proof of delivery is to prove a beneficiary has received equipment or supplies, allow the date of service to be flexible, so long as the date of service falls on or after the delivery date, except in the 3 instance of delivering to a hospital in anticipate of discharge, for these types of deliveries flexibility should be allowed dependent on the actual date of discharge. Allow suppliers to submit other types of proof with an audit that demonstrates the beneficiary received the goods or services.</p> <p>Commenter recommends, to assist with determining regulations that need to be evaluated, CMS should track the volume and types of technical denials that are overturned at the QIC.</p>	<p>purpose of the data collection effort under this PRA package is to provide data to support analysis of the effectiveness of the Medical Appeals Demonstration to Conduct Formal Telephone Discussions with Suppliers, and to determine whether further engagement between suppliers and the QIC improves suppliers' understanding of the reasons for claim denials, and over time will result in more proper claims submissions from suppliers participating in the demonstration.</p>		
<p>Discussion at First Level of Appeals: Commenter recommends CMS institute a discussion opportunity at the first level of appeal. Affording suppliers the opportunity to speak directly with the nurse reviewer that is auditing the claim will not only be an educational</p>	<p>CMS has considered the recommendation to institute a similar opportunity for discussions at the MAC level. However, this recommendation is outside the current scope of this data collection effort. CMS would like to note that the purpose of the data collection effort under this PRA package is to provide data to support analysis of the effectiveness of the Medical Appeals Demonstration to</p>		

<p>opportunity for both suppliers and contractors, but it will also be economical for the program as a whole. It will reduce wait times, reduce administrative costs, and will give suppliers the opportunity to speak directly with the reviewer that is evaluating the documentation.</p> <p>Commenter believes instituting a discussion at the first level of appeal will enable CMS to significantly reduce the backlog at Office of Medicare Hearings and Appeals (OMHA).</p>	<p>Conduct Formal Discussions with Suppliers, and to determine whether further engagement between suppliers and the QIC improves suppliers’ understanding of the reasons for claim denials, and over time will result in more proper claims submissions from suppliers participating in the demonstration.</p>		
PRA Notice			
<p>Wording in The Notice Should Be Clarified:</p> <p>The notice for the comment request states: <i>“...and (3) support CMS in assessing the QIC’s effectiveness in meeting a number of criteria established by CMS, including how satisfied participating suppliers were with the formal telephone discussion process.”</i></p> <p>The term “participating suppliers” can be referred to Medicare participation status, which may confuse some readers. We recommend to change the sentence to read: <i>“...and (3) support CMS in assessing the QIC’s effectiveness in meeting a number of criteria established by CMS, including how satisfied suppliers participating in the formal telephone discussion process were.”</i></p>	<p>CMS concurs with the recommended changes and will update the notice to reflect the recommendation.</p>	C	N