

DME Accreditation: Five Things a Pharmacist Must Know

Time's Up! As of January 1, 2010, suppliers of durable medical equipment (DME) to Medicare patients must be accredited.

Ever since the Medicare Modernization Act of 2003 first raised the specter of a DME accreditation requirement for Medicare suppliers, pharmacists and pharmacy industry associations have been fighting for an exemption. And, while pharmacists were calling their members of Congress, many were *not* working through the accreditation process. They gambled that Pharmacy would eventually win an exemption from DME accreditation. But, as of March 1, 2010, they have not.

Must Know #1: Not accredited? Don't bill Medicare.

Pharmacies that were not accredited as of January 1, 2010 should *not* bill Medicare for any transactions made this year. They would be rejected, or could come back to haunt them as a commission of fraud.

Must Know #2: CMS 855s Amendments

By now, pharmacies that have Medicare Part B numbers, but did not become accredited should have amended their CMS 855s forms, either to remove all DME products (listing only Part B drugs and biologicals) or to voluntarily terminate their Part B billing privileges all together. If they have not, CMS will soon revoke their Medicare Part B numbers. Revocation means that the pharmacies will be prohibited from reapplying for one year. Approving a new application could take an additional nine months. They could, therefore, be without billing privileges for up to 21 months.

It may be too late to avoid this scenario, but pharmacies that have not yet been revoked may want to amend their CMS 855s forms today in an effort to save their ability to bill Medicare for Part B drugs such as flu shots, vaccinations, and transplant rejection drugs.

Pharmacies should also be aware that accreditation cannot be transferred upon merger, acquisition or sale – the National Supplier Clearinghouse (NSC) and the Accreditation organization must be notified when these events occur. And, the Accreditation organization and the NSC will be coordinating efforts so that a pharmacy's supplier number will be revoked if accreditation is revoked.

Must Know #3: Hope for Pharmacy Exemption

The industry certainly made progress with their lobbying efforts, and there still may be a pharmacy exemption in the offing. The original deadline for DME accreditation was September 30, 2009. At the zero hour, both houses of Congress passed a bill to extend the deadline to January 1, 2010, and President Obama signed it into law on October 13, 2009.

At the same time, both the House and the Senate healthcare reform bills included some form of exemption for pharmacy. Since passage of any healthcare bill was stalled by the election of Senator Scott Brown (R-MA) in January, the industry is pushing for stand-alone legislation.

Pharmacies that did not become accredited, but have not yet had their Medicare numbers revoked may have Senators Max Baucus (D-MT) and Charles Grassley (R-IA) to thank. In a rare example of bipartisanship, they sent a letter to Kathleen Sibelius, Secretary of Health and Human Services requesting that she forestall CMS revocations. It concluded:

We therefore respectfully request that you use discretion in implementing the accreditation requirement for pharmacies in a manner that preserves beneficiaries' access to medical supplies and equipment while Congress considers the best approach for addressing this issue.

From this, the industry can conclude that their message *is* getting to the legislators, but that congressional action, which may or may not be a total exemption for pharmacy, *is not* imminent. The result of their letter seems to have been a delay in processing revocation letters until March 1, 2010—another short reprieve for pharmacists that has expired.

Must Know #4: CMS Is Not the Only Payer to Require DME Accreditation

Third-party insurers and state Medicaid programs have to deal with fraud, too. And, some of them have already required DME accreditation as another way to fight it. Not only do payers want assurance that the claims they are paying come from legitimate businesses for legitimate transactions, they also want to know that their beneficiaries are in good hands. The state of Florida, the state of Oklahoma, CareFirst Blue Cross of Maryland, and Blue Cross of Northeastern Pennsylvania are only a few of the insurers that have chosen to send their beneficiaries only to suppliers that have demonstrated competence and adherence to a certain standard of quality service.

That, essentially, is what accreditation is about. It is a testimonial from an independent, unbiased, expert observer that a business may be trusted to supply DME products and service legally and well. Therefore,...

Must Know #5: DME Accreditation Is Good for Business

One company that helps pharmacies prepare for DME accreditation received the following comment on a customer service survey:

The NASI process not only enabled us to get our accreditation to provide DME services to our community, but it helped make us a better pharmacy overall by making us focus more on how we run our business and serve our customers.

Running a good business requires paying attention [to] a lot of little things that can get lost in the "forest" of daily activities. NASI has enabled us to see the "trees" in the forest more clearly than ever before. Thank You!

Teachers give tests (known as “assessments” in educational jargon) to find out what their classes don’t know. Only the nerds truly enjoy assessments, but tests are essential in helping students reach their potential. The same is true for pharmacies. DME accreditation surveys are assessment tools—not at all enjoyable, but necessary for the maintenance and growth of a healthy business.

The best business practices in any industry are constantly changing, and it is particularly so in Pharmacy, where government regulations, pharmaceutical and technological developments, and market pressures keep everyone hopping. Preparing for accreditation forces a company to focus on its compliance with government regulations on record-keeping, on patient education and service, and on employee education. Many pharmacies found that the process brought their businesses up to date on these issues.

Title XIII of the Recovery Act that became law on February 17, 2009, is known as the Health Information Technology for Economic and Clinical Health Act, aka “HITECH”. HITECH made some changes to the HIPAA regulations, but, more important to the bottom line for pharmacies, it raised the penalties and strengthened the enforcement on non-compliance. DME accreditation pushed pharmacies to reassess their HIPAA compliance at a critical time...and many had a lot of changes to make.

Another NASI customer commented that they “didn't realize we were really not very computer literate.” Accredited pharmacies improved their employee education and, as a result, improved their efficiency and their service to patients.

Finally, there is money to be made in DME! Reimbursement rates tend to be higher than drug reimbursement rates. The baby boomers are beginning to need orthopedic braces and mobility aids. Good pharmacies develop long-term relationships with their patients. As long as those patients know that they can get their medical equipment from their pharmacy, that is where they will go. It is up to the pharmacy to market their ability to supply DME and to trumpet their DME accreditation.

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