AMA
AMERICAN
MEDICAL
ASSOCIATION

Michael D. Maves, MD, MBA, Executive Vice President, CEO

November 28, 2006

Ms. Leslie Norwalk
Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
Room 445-G, Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Dear Administrator Norwalk:

Thank you for your response to our letter on June 9, 2006, which outlined a number of physicians' concerns with Medicare's new enrollment application process requiring Electronic Funds Transfer (EFT) and obtaining a National Provider Identifier (NPI). We continue to learn, however, of problems physicians are experiencing enrolling in Medicare or when making changes to their current enrollment application. Without an approved Medicare enrollment application, physicians are unable to bill for the care they provide to Medicare patients. Furthermore, some physicians are precluded from billing Medicaid until they have successfully enrolled in Medicare. Discussed below are ongoing enrollment barriers and concerns that physicians continue to experience, as well as proposed solutions for addressing these concerns.

"Pre-Screening" Enrollment

We understand that the Centers for Medicare and Medicaid Services (CMS) has instituted a "pre-screening" policy for enrollment, which became effective July 3, 2006. The intent of the policy is to reduce the number of rejected applications by giving physicians one additional opportunity to supply any missing information prior to rejection. We believe this additional step should help with the enrollment application approval rate. We have heard anecdotally, however, that the pre-screening process may not be occurring. **We, therefore, urge CMS to monitor implementation of the process to ensure it is working among all carriers.**

American Medical Association 515 North State Street Chicago Illinois 60610
phone: 312 464 5000 fax: 312 464 4184 www.ama-assn.org

Credentialing

The AMA is pleased with Medicare's decision to streamline the enrollment application form. Given the new requirements added to the enrollment process in May 2006 – EFT and NPI – applying for enrollment can still be quite a lengthy process. One part of the enrollment process that could be expedited involves credentialing. In the case of academic medical centers, when a medical resident or intern is expected to provide care in this setting, the hospital associated with the school performs the credentialing. Today, there are 126 integrated academic medical centers where thousands of physicians, residents, and interns are frequently moving in and out of each institution and delivering care to millions of patients, including Medicare patients. Therefore, timely enrollment in Medicare is critical.

Under current guidelines however, Medicare does not recognize the credentialing performed by an academic medical center, and therefore a separate credentialing process conducted by the appropriate carrier is performed for each physician enrolling in Medicare. An increasing number of Medicaid and commercial health plans are accepting the credentialing activities performed by the academic medical center in order to obtain a billing number for the physician, which, if adopted by Medicare, could save both time and costs. Furthermore, when changes are made through an academic medical center's physician credentialing process, they could be shared with CMS on a real-time basis and could ease access to care issues which can result from enrollment application processing delays. **With these efficiencies and advantages in mind, we urge CMS to accept and implement credentialing by academic medical centers for their physicians into Medicare's enrollment process.**

National Provider Identifier (NPI)

The AMA is concerned about appropriate access to NPI numbers. Physicians, as well as entities that are "covered entities" under the Health Insurance Portability and Accountability Act (HIPAA) and that have a legitimate business need, should have access to NPIs. Otherwise, there could be interruptions across the health care system and physicians' cash flow could be hurt. However, unlimited access to NPIs, such as unrestricted access to the public at large, should not be permitted as this is not necessary to the continuity of healthcare billing. Furthermore, access to NPIs should not be granted to entities that have the intended sole purpose of selling NPI numbers.

As the NPI is now a mandatory part of Medicare's enrollment process, we want to identify for CMS problems we understand have been associated with obtaining an NPI during the Medicare enrollment process. These problems are highlighted below.

Copy of NPI Notification

The Medicare enrollment process requires a copy of a physician's NPI notification received from the National Plan and Provider Enumeration System (NPPES). Often, an office or

group practice administrative staff person applies for a physicians' NPI number. We have learned that many physicians who have changed employment are experiencing problems obtaining a copy of their NPI notification from NPPES. When a new employer attempts to apply for an NPI on the physician's behalf, the employer learns from NPPES that the physician already has an NPI. In cases such as these, the physician is often put in the time-consuming position of having to track down verification of their enumeration, which is required when making changes to their enrollment information. This can be quite challenging and result in weeks worth of delays, which presents a barrier to timely Medicare enrollment.

We understand that CMS has instructed NPPES to give physicians who find themselves in this type of situation the contact information for the individual who submitted their NPI application. While this may appear to be a reasonable solution, there have already been situations where the person who submitted the application for the physician's NPI number cannot be reached. For instance, they may no longer work at the physician's previous employer or the contact number for that staff person may no longer be in service. A more efficient process would be for NPPES, upon verification of certain key pieces of identifying information (i.e., social security number and date of birth), to supply this information directly to the physician. **We urge CMS to make the NPI verification information available directly to the physician since: (i) the NPI is truly a number that belongs to the physician; and (ii) this will expedite their Medicare enrollment.**

Paper Billers

Medicare has recently announced that physician paper billers must obtain and use an NPI. While HIPAA only requires physicians who transmit health information electronically, in connection with a HIPAA transaction, to obtain and use an NPI, Medicare has made the business decision to require paper billers to obtain one as well. Medicare has not clearly highlighted this requirement. The AMA has shared this information with the state and specialty medical societies, but we are concerned that many remain unaware of this requirement. **Therefore, we urge CMS to create and widely distribute to the carriers an FAQ and/or an MLN Matters article that clearly articulates the requirement that paper billers, in addition to physicians who transmit electronically, must also obtain an NPI.**

Retaining NPI Website Application for Download

CMS made the recent decision to remove from the NPPES website the NPI application for download. The AMA recognizes that the fastest method for obtaining an NPI is likely to be through online submission. Some physicians, however, may not have easy access to the Internet or may prefer the convenience of downloading the form and mailing it. While the paper form is available by calling the enumerator, this adds additional time to the Medicare enrollment process for those preferring to submit a paper NPI application. **We urge CMS to put the downloadable NPI application back on the NPPES website.**

Mandatory Electronic Funds Transfer (EFT)

CMS has recently revised the 588 EFT form. It is our understanding that, when finalized, the form will be streamlined. We appreciate any steps CMS is taking to reduce the administrative burden on physicians. Since CMS began requiring the EFT as part of the Medicare enrollment process earlier this year, we continue to hear from physicians who are experiencing problems setting up EFT with their banking institutions. Many physicians who were not previously using EFT are now required to do so either upon enrollment or with a change to their enrollment application. Furthermore, Medicare's decision to require EFT has influenced the business decisions of several private payers who have followed suit and plan to require EFT as well. We have learned, for example, that United HealthCare, which operates in several states, has already begun implementing EFT. Physicians who do not voluntarily sign-up will be automatically enrolled. In addition to the privacy issues generated among many physicians by United's EFT requirements, this has exacerbated physicians' overall concerns with payers' EFT policies on adjusting entries on previous deposits and future offsets.

As we continue to learn about EFT problems associated with Medicare reimbursement, we will communicate these concerns to CMS staff. We look forward to continuing to work with CMS to find solutions to the barriers physicians are experiencing with this portion of the enrollment process. We also understand that when the new 588 forms are published, CMS will implement a transition period. **We urge CMS to allocate a sufficient amount of time in transitioning to the new 588 form since the lack of a true transition period to the new 855 enrollment form continues to cause significant enrollment processing delays for many physicians. We also urge CMS to conduct outreach to physicians well in advance of the date that CMS establishes for use of the new 588 form.**

Revalidation

According to the final rule published on April 21, 2006, entitled *Medicare Program: Requirements for Providers and Suppliers to Establish and Maintain Enrollment*, CMS plans to conduct provider "revalidations," which is an effort to recertify the accuracy of providers' existing Medicare enrollment information on file with CMS and its carriers. The AMA is pleased that CMS opted for a five-year revalidation cycle rather than a three-year one. In the rule, CMS also indicated that widespread revalidation efforts would begin in FY '08, while there would also be limited revalidation efforts in FY '06 and FY '07 for providers who have already enrolled in Medicare, but who have never completed an 855 form or made a change to their enrollment application during the past five years. CMS also indicated that providers would be informed of this process before it was rolled out.

We are disappointed to learn, however, that CMS has not been forthcoming with information associated with its revalidation efforts. Implementation of the new 855 enrollment form caught many physicians off guard as there was no advance outreach by

CMS. Similarly, it is our understanding that CMS has decided not to conduct outreach on the limited revalidation efforts. We have already heard from physicians adversely impacted by this effort. Delays and/or rejections associated with the Medicare revalidation enrollment effort impact physicians, increase Medicare spending, and ultimately impact patient access to care. **We urge CMS to conduct outreach efforts to: (i) share information with physicians in advance of any revalidation efforts in their community; and (ii) avert reprocessing delays and rejections of Medicare applications.**

We thank CMS for its attention to these concerns and suggestions for improving the Medicare enrollment process and look forward to continuing our ongoing, productive dialogue for addressing these concerns.

Sincerely,

Michael D. Maves, MD, MBA