CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-08 Medicare Program Integrity	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 750	**Date: October 20, 2017**
	Change Request 10324

SUBJECT: Proof of Delivery Documentation Requirements

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to simplify the CMS requirements for documenting proof of delivery, and clarifies the differing oversight roles of its contractors in ensuring compliance.

EFFECTIVE DATE: November 20, 2017
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: November 20, 2017
Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row*.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	4/4.26/Supplier Proof of Delivery Documentation Requirements
R	4/4.26/4.26.1/Proof of Delivery and Delivery Methods
N	4/4.26/4.26.3/Proof of Delivery Requirements for Recently Eligible Medicare FFS Beneficiaries
R	5/5.8/Supplier Documentation

III. FUNDING:
For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding

continued performance requirements.

IV. ATTACHMENTS:

Business Requirements
Manual Instruction

Attachment - Business Requirements

Pub. 100-08	Transmittal: 750	Date: October 20, 2017	Change Request: 10324

SUBJECT: Proof of Delivery Documentation Requirements

EFFECTIVE DATE: November 20, 2017
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: November 20, 2017

I. GENERAL INFORMATION

A. Background: This CR simplifies CMS' requirements for documenting proof of delivery, and clarifies the differing oversight roles of its contractors in ensuring compliance.

B. Policy: 42 C.F.R. 424.57(c)(12); Section 1833 of the Social Security Act .

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME	Shared-System Maintainers				Other
		A	B	HHH	MAC	FISS	MCS	VMS	CWF	
10324.1	Contractors shall ensure suppliers maintain and supply, upon request, proof of delivery documentation in accordance with Pub. 100-08, Chapter 4, Section 4.26 and Chapter 5, Section 5.8.				X					CERT, RACs, SMRC, ZPICs
10324.1.1	Zone Program Integrity Contractors /Unified Program Integrity									ZPICs

Number	Requirement	Responsibility								
		A/B MAC			DME	Shared-System Maintainers				Other
		A	B	HHH	MAC	FISS	MCS	VMS	CWF	
	Contractors shall, if concerned that Medicare was billed for an item that was not received, request proof of delivery from the supplier.									
10324.1.2	Contractors shall ensure compliance with proof of delivery, as required for certain conditions of payment.				X					CERT, RACs, SMRC, ZPICs
10324.1.3	Contractors shall consider referral to the Office of Inspector General and/or National Supplier Clearinghouse for repetitive non-compliance.				X					CERT, RACs, SMRC, ZPICs
10324.1.4	Contactors shall note that the date of delivery may be entered by the beneficiary, designee, or the supplier.				X					CERT, RACs, SMRC, ZPICs
10324.1.5	Contractors shall verify that the date the beneficiary received the				X					CERT, RACs, SMRC, ZPICs

Number	Requirement	Responsibility								
		A/B MAC			DME	Shared-System Maintainers				Other
		A	B	HHH	MAC	FISS	MCS	VMS	CWF	
	item, or the date the supplier shipped the item when using a delivery/shipping service, shall be the date of service on the claim. Note: The shipping date may be defined as the date the delivery/shipping service label is created or the date the item is retrieved for delivery; however, such dates should not demonstrate significant variation to account for the period between when a shipping label is created and the time the item is shipped out. In addition, certain exceptions are flagged in Section 4.26.2.									
10324.1.6	Contractors shall verify that Medicare requirements				X					CERT, RACs, SMRC, ZPICs

Number	Requirement	Responsibility								
		A/B MAC			DME	Shared-System Maintainers				Other
		A	B	HHH	MAC	FISS	MCS	VMS	CWF	
	have been met when a beneficiary receiving an item of Durable Medical Equipment, Prosthetics, Orthotics, or Supplies from another payer becomes eligible for the Medicare Fee-for-Service program.									
10324.2	Contractors shall, if a provider responds, in writing, that the Medicare qualifying supplier documentation is older than 7 years, and provides proof of continued medical necessity of the item or necessity of the repair, not deny the claim based solely on missing the supporting Medicare qualifying documentation that is over 7 years old.				X					CERT, RACs, SMRC

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Jennifer Phillips, 410-786-1023 or jennifer.phillips@cms.hhs.gov , Olufemi Shodeke, 410-786-1649 or Olufemi.Shodeke@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 0

Medicare Program Integrity Manual
Chapter 4 - Program Integrity

Table of Contents
(Rev.750, Issued: 10-20-17)

Transmittals for Chapter 4

4.26 – Supplier Proof of Delivery Documentation Requirements

(Rev.750; Issued: 10-20-17; Effective: 11-20-17; Implementation: 11-20-17)

This section applies to ZPICs/UPICs. This section is applicable to DME MACs, RACs, SMRC, and CERT medical review contractors, as noted in Ch. 5, Section 5.8.

Suppliers are required to maintain proof of delivery documentation in their files. *Proof of delivery d*ocumentation must be maintained in the supplier's files for 7 years *(starting from the date of service)*.

Section 1833(e) grants Medicare contractors the authority to request any information necessary to determine the amounts due. This includes proof of delivery in order to verify that the beneficiary received the DMEPOS *item and thus to determine the amounts due to the provider.* Proof of *d*elivery is *also* one of the supplier standards as noted in 42 CFR § 424.57*(c)*(12). *If the ZPIC/UPIC has reason to be concerned that Medicare was billed for an item that was not received (such as a complaint from a beneficiary about non-receipt), the ZPIC/UPIC shall request proof of delivery from the supplier.*

Proof of delivery documentation must be made available*, within the prescribed timeframes,* to the *ZPIC/UPIC* upon request. For any *items that* do not have proof of delivery from the supplier, such claimed items shall be denied *by the ZPIC/UPIC* and overpayments recovered. Suppliers *that* consistently do not provide documentation to support *that* their *items were delivered* may be referred to the OIG *or NSC* for investigation and/or imposition of sanctions.

4.26.1 - Proof of Delivery and Delivery Methods

Rev.750; Issued: 10-20-17; Effective: 11-20-17; Implementation: 11-20-17)

This section applies to ZPICs/UPICs. ***[This section is applicable to DME MACs, RACs, SMRC, and CERT medical review contractors, as noted in Ch. 5, Section 5.8.]***

For the purpose of the delivery methods noted below, **designee** is defined as:

"Any person who can sign and accept the delivery of durable medical equipment on behalf of the beneficiary."

Suppliers, their employees, or anyone else having a financial interest in the delivery of the item are prohibited from signing and accepting an item on behalf of a beneficiary (i.e., acting as a designee on behalf of the beneficiary). The signature of the designee should be legible. If the signature of the designee is not legible, the supplier/shipping service should note the name of the designee on the delivery slip.

Three methods of delivery are:

- *Supplier delivering directly to the beneficiary or designee;*
- *Supplier utilizing a delivery/shipping service to deliver items; and*
- *Delivery of items to a nursing facility on behalf of the beneficiary.*

The date of delivery may be entered by the beneficiary, designee or the supplier. The date that the beneficiary received the DMEPOS item shall be the date of service on the claim. If the supplier uses a delivery/shipping service, the supplier may use the shipping date as the date of service on the claim. The shipping date may be defined as the date the delivery/shipping service label is created or the date the item is retrieved for delivery; however, such dates should not demonstrate significant variation. (See Pub. 100-08, chapter 5, section 5.2.4 for further information on written orders prior to delivery.)

4.26.3 Proof of Delivery Requirements for Recently Eligible Medicare FFS Beneficiaries

(Rev.750; Issued: 10-20-17; Effective: 11-20-17; Implementation: 11-20-17)

This section applies to ZPICs/UPICs. ***[This section is applicable to DME MACs, RACs, SMRC, and CERT medical review contractors, as noted in Ch. 5, Section 5.8.]***

Medicare does not automatically assume payment for a DMEPOS item that was covered prior to a beneficiary becoming eligible for the Medicare FFS program. When a beneficiary receiving a DMEPOS item from another payer becomes eligible for the Medicare FFS program, the beneficiary may continue to receive such items only if Medicare requirements are met for such DMEPOS items. The DME MAC shall educate the supplier community that the supplier must submit an initial or new claim for the item and the necessary documentation to support Medicare payment, upon request, even if there is no change in the beneficiary's medical condition. The first day of the first rental month in which Medicare payments are made for the item serves as the start date of the reasonable useful lifetime and period of continuous use. The contractor shall consider the proof of delivery requirements met for this type of beneficiary by instructing the suppler to obtain a statement, signed and dated by the beneficiary (or beneficiary's designee), that the supplier has examined the item. The DME MAC shall educate the supplier that the supplier must also attest to the fact that the item meets Medicare requirements.

5.8 - Supplier Documentation

(Rev.750, Issued: 10-20-17, Effective: 11- 20-17, Implementation: 11-20-17)

A. General

Before submitting a claim to the DME MAC the supplier must have on file a dispensing order, the detailed written order, the CMN (if applicable), the DIF (if applicable), information from the treating physician concerning the patient's diagnosis, and any information required for the use of specific modifiers or attestation statements as defined in certain DME MAC policies. The supplier should also obtain as much documentation from the patient's medical record as they determine they need to assure themselves that coverage criteria for an item have been met. If the information in the patient's medical record does not adequately support the medical necessity for the item, the supplier is liable for the dollar amount involved unless a properly executed ABN of possible denial has been obtained.

Documentation must be maintained in the supplier's files for seven (7) years from date of service. If the provider responds, in writing, that the Medicare qualifying supplier documentation is older than 7 years, and provides proof of continued *medical necessity of the item or necessity of the repair,* the contractors shall not deny the claim based solely on missing the supporting Medicare qualifying documentation that is over 7 years old.

B. Proof of Delivery

*Section 424.57(c)(12) requires s*uppliers*, as part of their standards to be met for enrollment and participation,* to maintain proof of delivery documentation in their files.
In certain instances, compliance with proof of delivery may be required as a condition of payment, and must be available to the DME MAC, *RAC*, *SMRC*, CERT*,* and ZPIC*/UPIC* on request. *For such items, if the supplier does* not have appropriate proof of delivery *documentation within the prescribed timeframes, associated claims* will be denied and overpayments *recouped*. *We note that non-compliance with supplier standards may also result in revocation from the Medicare program.* Suppliers who consistently do not provide documentation to support their services may be referred to the OIG *or NSC* for *investigation and/or* imposition of *s*anctions. *If the beneficiary is newly eligible to the Medicare program, the proof of delivery standards require the supplier to obtain a statement, signed and dated by the beneficiary (or beneficiary's designee), that the supplier has examined the item.*

Please refer to IOM 100-08. Ch. 4, Section 4.26 for additional information regarding all proof of delivery requirements.