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# CMS Manual System

## Pub. 100-08 Medicare Program Integrity

Transmittal 61

Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
Medicaid Services (CMS)

Date: JANUARY 2, 2004

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**CHANGE REQUEST 2903**

**I. SUMMARY OF CHANGES:** These sections clarify supplier proof of delivery.

**NEW/REVISED MATERIAL - EFFECTIVE DATE: January 2, 2004**

**\*IMPLEMENTATION DATE: February 2, 2004**

*Disclaimer: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged.*

**II. SCHEDULE OF CHANGES (R = REVISED, N = NEW, D = DELETED)**

<b>R/N/D</b>	<b>CHAPTER/SECTION/SUBSECTION/TITLE</b>
<b>R</b>	5/2.1.1/Supplier Proof of Delivery Documentation Requirements
<b>R</b>	5/2.1.2/Proof of Delivery and Delivery Methods
<b>R</b>	5/2.1.3/Exceptions

**III. FUNDING: \*Medicare contractors only:**

**These instructions should be implemented within your current operating budget.**

**IV. ATTACHMENTS:**

<b>X</b>	<b>Business Requirements</b>
<b>X</b>	<b>Manual Instruction</b>
	<b>Confidential Requirements</b>
	<b>One-Time Special Notification</b>

# Business Requirements

Pub. 100-08	Transmittal: 61	Date: January 2, 2004	Change Request 2903
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**Subject:** Clarification of Proof of Delivery Requirements

## I. GENERAL INFORMATION

### A. Background:

One of the requirements for suppliers of DMEPOS, as described below, requires suppliers to maintain a proof of delivery for DMEPOS items provided to Medicare beneficiaries. The PIM restates this requirement and provides examples of these proofs that the supplier may use. This revision clarifies and eases the burden of the suppliers for this requirement. This information is only made available to the DMERCs upon request as supportive documentation and is not included in the processing of claims.

### B. Policy:

Set forth in 42 CFR 424.57, this regulation requires that suppliers of DMEPOS must maintain proof of delivery for items they provide to Medicare beneficiaries.

### C. Provider Education:

The DMERCs shall inform affected suppliers by posting either a summary or relevant portions of this document on their Web site within 4 weeks. Also, DMERCs shall publish this same information in their next regularly scheduled bulletin. If they have a listserv that targets affected suppliers, they shall use it to notify subscribers that information about Proof of Delivery is available on their Web site.

## II. BUSINESS REQUIREMENTS

*"Shall" denotes a mandatory requirement*

*"Should" denotes an optional requirement*

Requirement #	Requirements	Responsibility
2.1.1.1	Suppliers shall maintain proof of delivery documents in their files for 7 years.	Suppliers
2.1.1.2	Proof of delivery documentation shall be made available to the DMERC upon request.	Suppliers
2.1.1.3	For patients that are residents of a nursing facility, suppliers should obtain copies of necessary documentation from the nursing facility to document proof of delivery.	Suppliers
2.1.2.1	Suppliers or anyone else having a financial interest in the delivery of an item shall not sign	Suppliers

	or accept an item on behalf of a beneficiary.	
2.1.2.2	For supplies delivered directly by the supplier, the date of signature on the delivery slip shall be the date the supply was received by the beneficiary.	Suppliers
2.1.2.3	Suppliers shall not claim dates of service prior to delivery.	Suppliers
2.1.3.1	Suppliers shall contact the beneficiary prior to dispensing refills.	Suppliers
2.1.3.2	Supplier contact with beneficiaries regarding refills should not take place sooner than 7 days prior to delivery/shipping date.	Suppliers
2.1.3.3	If the shipping service is utilized, the supplier's records should reference the delivery service's package identification number, the identification of the beneficiary and their address, and the delivery date.	Suppliers
2.1.3.4	If the shipping service does not provide the delivery date, the supplier shall use the shipping date as the date of service on the claim.	Suppliers
2.1.3.5	Suppliers should not deliver refills sooner than 5 days prior to the end of usage.	Suppliers
2.1.3.6	Claims for refills shall be the start date of the new usage period and not overlap the previous usage date.	Suppliers
2.1.4.1	Supplies delivered to beneficiaries in a hospital or nursing facility shall only be delivered 2 days prior to discharge and shall be for subsequent use.	Suppliers
2.1.4.2	For DMEPOS delivered in a hospital/nursing facility setting, the date of service shall be the date of discharge and the Place of Service shall be 12 (patient's home).	Suppliers
2.1.4.3	No billings shall be made for items on the days the beneficiary was receiving training or fitting in hospital/nursing facility or prior to discharge.	Suppliers

## II. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

### A. Other Instructions:

X-Ref Requirement #	Instructions
N/A	

**B. Design Considerations:**

<b>X-Ref Requirement #</b>	<b>Recommendation for Medicare System Requirements</b>
N/A	

**C. Interfaces:** N/A

**D. Contractor Financial Reporting /Workload Impact:** N/A

**E. Dependencies:** N/A

**F. Testing Considerations:** N/A

**IV. OTHER CHANGES**

<b>Citation</b>	<b>Change</b>
N/A	

**V. CMS Contacts:**

<b>Effective Date: January 2, 2004</b> <b>Implementation Date: February 2, 2004</b> <b>Pre-Implementation Contact(s):</b> Joel Cohen, 410-786-3349	<b>These instructions should be implemented within your current operating budget</b>  <b>Post-Implementation Contact(s):</b> Joel Cohen, 410-786-3349
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## **2.1.1 – Supplier Proof of Delivery Documentation Requirements**

**(Rev.61, 01-02-04)**

*Suppliers are required to maintain proof of delivery documentation in their files. Documentation must be maintained in the supplier's files for 7 years.*

*Proof of delivery is required in order to verify that the beneficiary received the DMEPOS. Proof of delivery is one of the supplier standards as noted in 42 CFR 424.57(12). Proof of delivery documentation must be made available to the DMERC upon request. For any services, which do not have proof of delivery from the supplier, such claimed items and services shall be denied and overpayments recovered. Suppliers who consistently do not provide documentation to support their services may be referred to the OIG for investigation and/or imposition of sanctions.*

## **2.1.2 – Proof of Delivery and Delivery Methods**

**(Rev.61, 01-02-04)**

*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 may deliver directly to the beneficiary or the designee. An example of proof of delivery to a beneficiary is having a signed delivery slip, and it is recommended that the delivery slip include: 1) The patient's name; 2) The quantity delivered; 3) A detailed description of the item being delivered; 4) The brand name; and 5) The serial number. The date of signature on the delivery slip must be the date that the DMEPOS item was received by the beneficiary or designee.*

*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 relationship of the designee to the beneficiary should be noted on the delivery slip obtained by the supplier (i.e., spouse, neighbor, etc.). The signature of the designee should be legible. If the signature of the designee is not legible, the supplier should note the name of the designee on the delivery slip.*

*If the supplier utilizes a delivery/shipping service, an example of proof of delivery would include the delivery service's tracking slip, and the supplier's own shipping invoice. If*

*possible, the supplier's records should also include the delivery service's package identification number for that package sent to the beneficiary. The delivery service's tracking slip should reference each individual package, the delivery address, the corresponding package identification number given by the delivery service, and if possible, the date delivered. If a supplier utilizes a delivery/shipping service or mail order that is able to provide the actual date of receipt by the beneficiary or designee, such date shall be considered the date of service on the claim. When the date of actual delivery is not provided, suppliers must use the shipping date as the date of service on the claim.*

*Suppliers may also utilize a return postage-paid delivery invoice from the beneficiary or designee as a form of proof of delivery. The descriptive information concerning the DMEPOS item (i.e., the patient's name, the quantity, detailed description, brand name, and serial number) as well as the required signatures from either the beneficiary or the beneficiary's designee should be included on this invoice as well.*

*The start of usage by the beneficiary of the DMEPOS item is signaled by the initial delivery date of the item found on the delivery slip. Claims filed by the supplier should reflect the initial delivery date noted on the delivery slip and shall not claim dates of service prior to delivery. For initial DMEPOS products delivered to a beneficiary residing in a nursing facility, the initial date of service on the claim is to be the date the item(s) was provided to the beneficiary at the nursing facility. For DMEPOS products that are supplied as refills to the original order, suppliers must contact the beneficiary prior to dispensing the refill. This shall be done to ensure that the refilled item is necessary and to confirm any changes/modifications to the order. Contact with the beneficiary or designee regarding refills should take place no sooner than 7 days prior to the delivery/shipping date. For subsequent deliveries of refills, the supplier should deliver the DMEPOS product no sooner than 5 days prior to the end of usage for the current product. This is regardless of which delivery method is utilized. The date of service on the claim for refills should be the start date of the "new" usage period and should not overlap the previous usage date. Suppliers should file such claims on or after the beginning of the new usage period.*

*For those patients that are residents of a nursing facility, suppliers should obtain copies of the necessary documentation from the nursing facility to document proof of delivery or via the documentation requirements dictated by the delivery method.*

### **2.1.3 – Exceptions**

**(Rev.61, 01-02-04)**

*Exceptions to the preceding statements concerning the date(s) of service on the claim occur when the items are provided in anticipation of discharge from a hospital or nursing*

*facility. A supplier may deliver a DMEPOS item to a patient in a hospital or nursing facility for the purpose of fitting or training the patient in the proper use of the item. This may be done up to 2 days prior to the patient's discharge to their home. The supplier should bill the date of service on the claim as the date of discharge and should use the Place of Service (POS) as 12 (Patient's Home). The item must be for subsequent use in the patient's home. No billing may be made for the item on those days the patient was receiving training or fitting in the hospital or nursing facility.*

*A supplier may not bill for drugs or other DMEPOS items used by the patient prior to the patient's discharge from the hospital or a Medicare Part A nursing facility stay. Billing the DMERC for surgical dressings, urological supplies, or ostomy supplies that are provided in the hospital or during a Medicare Part A nursing facility stay is not allowed. These items are payable to the facility under Part A of Medicare. This prohibition applies even if the item is worn home by the patient from the hospital or nursing facility. Any attempt by the supplier and/or facility to substitute an item that is payable to the supplier for an item that, under statute, should be provided by the facility, may be considered to be fraudulent. These statements apply to durable medical equipment delivered to a patient in hospitals, skilled nursing facilities (Place of Service = 31), or nursing facilities providing skilled services (Place of Service = 32).*