

# CMS Manual System

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

## Pub. 100-08 Medicare Program Integrity

Transmittal 60

Date: NOVEMBER 28, 2003

CHANGE REQUEST 2855

**I. SUMMARY OF CHANGES:** These instructions will explain how to establish an enrollment record in the Provider Enrollment, Chain and Ownership System (PECOS).

**NEW/REVISED MATERIAL - EFFECTIVE DATE:** November 29, 2003

**\*IMPLEMENTATION DATE:** As soon as possible, but no later than December 29, 2003

*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.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual not updated.)

(R = REVISED, N = NEW, D = DELETED – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	Table of Contents
N	Chapter 10\Section 27 - Provider Enrollment, Chain and Ownership System (PECOS)

**\*III. FUNDING:**

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

*Or*

Funding is available through the regular budget process for costs required for implementation.

**IV. ATTACHMENTS:**

X	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification

**\*Medicare contractors only**

# Business Requirements

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## I. GENERAL INFORMATION

### A. Background:

Since Provider Enrollment, Chain and Ownership System (PECOS). is not being pre-populated with supplier information, when you receive a change of information from a currently enrolled supplier and there is no PECOS record, you will have to create an enrollment record in PECOS so that the updated information can be entered once the change is verified. This will require keying in certain data elements to begin populating the system. Populating PECOS with existing data maintained/housed in the Provider Enrollment System (PENS)/VIPS Medicare System (VMS), and Provider Enrollment System (PES)/Medicare Claims System (MCS), for currently enrolled suppliers, allows you to input and process the new updated information, and to track and report your workload.

### B. Policy:

This is being implemented in order to implement the Provider Enrollment, Chain and Ownership System (PECOS).

**C. Provider Education:** None.

## II. BUSINESS REQUIREMENTS

*"Shall" denotes a mandatory requirement*

*"Should" denotes an optional requirement*

Requirement #	Requirements	Responsibility
1	Upon receipt of Form CMS-855B or Form CMS-855I with a change of information, you are required to create an enrollment record in PECOS for the supplier in order to process the updated information.	Carriers
2	If a supplier submits an entire Form CMS-855B or CMS-855I in conjunction with a change of information, you shall enter all of the data from the new application into PECOS. Only the new/changed information has to be validated.	Carriers
3	If there is no Form CMS-855I or CMS-855B on file when adding a member to an existing group, the group shall submit Form CMS-855B with Form CMS-855R. If Form CMS-855I or	Carriers

	CMS-855B is on file, an enrollment record must be created for the group from existing information.	
4	A PECOS enrollment record shall be created if a physician/supplier elects to change their Medicare participation status.	Carriers
5	For all enrollment records established for Physician Assistants (PA), "YES" must be checked in block 4A1. This procedure shall be done when processing a new Form CMS-855I or when establishing an enrollment record for a change of information.	Carriers
6	The CMS will take into consideration the amount of time it takes to input data and to establish an enrollment record prior to processing the change of information or reassignment. The CMS will also allow additional time to complete these tasks	Carriers

## II. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

### A. Other Instructions: N/A

X-Ref Requirement #	Instructions

### B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

### C. Interfaces: N/A

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

**E. Dependencies:** CRs 2424-2427, CRs 2524-2527 and CRs 2642-2645. Also, CRs 10515 and 10521. The CMS will be issuing additional CRs for the PECOS initiative.

### F. Testing Considerations: N/A

## IV. OTHER CHANGES

Citation	Change

**SCHEDULE, CONTACTS, AND FUNDING**

<p><b>Effective Date: November 28, 2003</b> <b>Implementation Date: As soon as possible but no later than December 29, 2003.</b></p> <p><b>Pre-Implementation Contact(s):</b> <b>Kimberly Sullivan, (410) 786-5374</b></p> <p><b>Post-Implementation Contact(s): Patricia Snyder</b> <b>(410) 786-5991</b></p>	<p><b>These instructions should be implemented within your current operating budget.</b></p>
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# Medicare Program Integrity Manual

## Chapter 10 - Healthcare Provider/Supplier Enrollment

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(Rev. 60, 11-28-03)

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## **27 Provider Enrollment, Chain and Ownership System (PECOS)**

**(Rev. 60, 11-28-03)**

*The primary purpose of provider enrollment is to ensure that only qualified providers and suppliers obtain billing privileges. Secondly, CMS uses provider/supplier enrollment data to obtain information about payment and mailing instructions so that claims are processed and payments are made correctly. The enrollment process must balance two needs: (1) The need to make the process as administratively simple as possible and reduce the burden on qualified, legitimate individuals and businesses seeking to bill the Medicare program, and (2) The need for sufficient scrutiny to provide an effective deterrent against unqualified individuals and detect them if they attempt enrollment.*

*All healthcare providers/suppliers who wish to seek Medicare payment for covered services must enroll in the Medicare program. Suppliers must complete the applicable Form(s) CMS-855 and must meet other requirements. The PECOS will capture all the enrollment information contained on Form CMS-855, identify relationships between Medicare suppliers, log and track each enrollment application, perform inquiries, and produce reports. The PECOS monitors each enrollment application from the time the Medicare enrollment form is received, until the Medicare contractor completes its function. Also, PECOS is the system that will be used to update enrollment information and communicate with the Claims Processing Systems.*

### **Changes of Information**

*Since PECOS is not being pre-populated with supplier information, when you receive a change of information from a currently enrolled supplier and there is no PECOS record, you will have to create an enrollment record in PECOS so that the updated information can be entered once the change is verified. This will require keying in certain data elements to begin populating the system. Populating PECOS with existing data maintained/housed in the Provider Enrollment System (PENS)/ViPS Medicare System (VMS), and Provider Enrollment System (PES)/Multi-Carrier System (MCS), for currently enrolled suppliers, allows you to input and process the new updated information, and to track and report your workload.*

*Upon receipt of Form CMS-855B or I with a change of information, you will have to create an "enrollment record" in PECOS for the supplier in order to process the updated information. To create an enrollment record you must enter the minimum amount of data needed for PECOS to establish an approved enrollment record. All of the data elements required to satisfy an enrollment record in PECOS are identified in the Release 3 User's Guide.*

*To create an enrollment record you should use the data that is available on any of your existing supplier files, PENS/VMS or PES/MCS. Since that data should be current, it can be entered into PECOS without further validation. The enrollment record should be put in a pending status until you are able to populate all the mandatory data fields. The PECOS will not allow an enrollment record to be placed in an approved status unless the mandatory PECOS fields are completed.*

*Prior to changing the record to an approved status you must follow the normal validation process (found in Chapter 10 of the Program Integrity Manual, Pub. 100-08) in verifying the*



*information that is being changed. Once validated, you must input the new information into PECOS. Once the changed information is verified and entered into PECOS, and the Enrollment Exception Report indicates no problem, the pending enrollment record should be changed to an approved status.*

### **Supplier Submits an Entire Form CMS-855 in Conjunction With a Change of Information**

*If a supplier submits an entire Form CMS-855 in conjunction with a change of information, you must enter all of the data from the new application into PECOS. However, only the new/changed information has to be validated.*

#### *Adding a Member to an Existing Group*

- 1. If Form CMS-855 is not on file - This requires the group to submit Form CMS-855B with Form CMS-855R. Form CMS-855B should be processed like an initial enrollment record. Form CMS-855R cannot be processed until the group's enrollment record has been put in approved status.*
- 2. If Form CMS-855 is on file - You must create an enrollment record for the group from existing information, then associate the new member.*

*For all currently existing groups that are adding new members, it is not necessary to re-associate all current members in PECOS at this time.*

*For Form CMS-855Rs received for individuals already enrolled with Medicare, but not in PECOS, an approved enrollment record for the individual must be established in PECOS prior to processing Form CMS-855R. However, you do not need to obtain the Form CMS-855I from the applicant. To create an enrollment record, see the "Changes of Information" section.*

*If Form CMS-855R is received, along with Form CMS-855I, Form CMS-855I must be processed and put into an approved status before Form CMS-855R can be processed.*

### **Changes Not Generated Through a CMS-855I, B, or R**

*You will also receive updates/changes of information to the status of a physician or supplier that are not generated for submission of an 855I, B, or R. These include, but are not limited to, change in participation status during open enrollment period, sanctions, updates from UPIN registry such as date of death notice, railroad retirement board request, etc. When these changes happen you must update the record in PECOS so that the claims system can be updated. To do this you must create an L&T record for the change and then update the enrollment record. When there is no enrollment record in PECOS you should follow the same steps described above for creating an enrollment record to process CMS-855I, B, or R changes of information.*

### **Time Frame for Application Processing**

*Although the current manual instructions outline specific processing times, during this building process, CMS will take into consideration the amount of time it takes you to input the data and*

*establish an enrollment record or reassignment prior to process the change of information. As a temporary resolution, CMS will allow an additional 15 days to complete an enrollment record for a change of information. For example, if a supplier submits a change of information application, you will have a total of 60 days (instead of the normal 45 days) to do both: (1) Establish the enrollment record in PECOS, and (2) Verify and update PECOS with the change of information. This applies to the current standard of processing changes within 45 days 90 percent of the time, and 60 days within 99 percent of the time. You will be given an additional 15 days.*