
Program Memorandum Intermediaries

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal A-00-67

Date: SEPTEMBER 19, 2000

This Program Memorandum re-issues Program Memorandum A-99-40, Change Request 900 dated September 1999. The only change is the discard date; all other material remains the same.

CHANGE REQUEST 900

SUBJECT: Deactivation of Inactive Community Mental Health Center (CMHC) Medicare Numbers

PURPOSE: The purpose of this Program Memorandum (PM) is to inform fiscal intermediaries (FIs) about when to deactivate the Medicare billing number of inactive CMHCs and how to notify inactive CMHCs about billing number deactivation. Deactivation occurs when a CMHC's provider agreement remains in effect but the FI has suspended payment to the CMHC until the FI has received and verified the CMHC's updated Form HCFA-855 information. This PM also explains how inactive Medicare CMHCs may reactivate their billing numbers.

BACKGROUND: When a CMHC does not bill for a significant length of time, the Health Care Financing Administration (HCFA) and its FIs are unable to ensure that the data provided by the CMHC applicant at the time of enrollment is current. This inability to ensure correct provider data creates vulnerabilities for fraudulent and inappropriate use of the inactive billing number. Furthermore, FIs incur unnecessary costs to retain the enrollment and billing information of inactive CMHCs.

ACTION: A CMHC that has not billed 12 months is an inactive Medicare provider. **Manually** ascertain which CMHCs are currently inactive and determine if the CMHCs have been terminated or are undergoing termination procedures from the Medicare program. Establish a procedure to **manually** detect inactive CMHCs every six months thereafter. Deactivate the billing numbers of all inactive CMHCs that have not been terminated or are not undergoing termination and provide notice to the CMHCs that deactivation has occurred or will occur using the stock language provided in the attached deactivation letter. Notify the appropriate HCFA regional office of the deactivation by sending a copy of the attached letter. Also notify your Audit, Medical Review and Fraud Units about the deactivation action.

To resume status as an active Medicare CMHC provider, the inactive CMHC must completely revise their current (or complete a new enrollment application if there is not one already on file), Form HCFA-855 and may be subject to on-site review to verify enrollment and attestation information provided by the CMHC. To avoid incurring unnecessary costs for retaining inactive providers and billing number reactivation, the Form HCFA-855 should be submitted concurrently or after the CMHC resumes service to Medicare beneficiaries and bills for services rendered on their behalf. Any claims incurred before the reactivation of the CMHC billing number can be paid by the FI retroactively within the standard time limits for filing claims as specified in 42 CFR 424.44. Notify the appropriate HCFA regional office when a CMHC resumes status as an active Medicare provider.

If the CMHC elects to submit a letter requesting voluntary termination of its Medicare billing number, acknowledge the request and deactivate the requesting CMHC's billing number and refer the voluntary termination request to the appropriate HCFA regional office. Notify the appropriate HCFA regional office, as well as the State Licensing and/or Certification Agency.

These instructions should be implemented within your current operating budget.

The effective date of this PM is November 1, 1999.

This PM should be implemented by November 1, 1999.

| This PM may be discarded after October 1, 2001.

Contact Person: Alissa Schaub-Rimel on (410) 786-4660.

Attachment

MEDICARE PROVIDER BILLING NUMBER DEACTIVATION LETTER

Medicare Community Mental Health Center
CMHC Address:

Dear Sir or Madam:

The fiscal intermediary (FI) acting on behalf of the Health Care Financing Administration (HCFA) to process and pay your Medicare claims, has observed that in the past 12 months no claims have been submitted under your Community Mental Health Center (CMHC) Medicare billing number, (insert billing number). Due to lack of activity, HCFA will deactivate your billing number, as of (add date of deactivation), rendering your CMHC an inactive Medicare provider. Deactivation occurs when a CMHC's provider agreement remains in effect but the FI has suspended payment to the CMHC until the FI has received and verified the CMHC's updated Form-885 HCFA information.

You may wish to resume your CMHC's status as an active Medicare CMHC provider. However, to ensure that current data is on file, it will be necessary for you to complete an enrollment application, Form HCFA-855 if you have never done so, or completely update your current Form HCFA-855 when the CMHC resumes service to Medicare beneficiaries and bills for services rendered on their behalf. Any claims incurred before the reactivation of the CMHC billing number can be paid by the FI retroactively within the standard time limits for filing claims as specified in 42 CFR 424.44. You may obtain the Form HCFA-855 from your FI, State Licensing and/or Survey and Certification Agency.

You may elect to submit a letter to the FI (insert fiscal intermediary address), State Licensing or Survey and Certification Agency (insert SA address) requesting a voluntary termination of your Medicare provider agreement, if you will no longer bill Medicare.

If you have any questions regarding this letter, please contact (insert name and phone number of FI contact).

FI Provider Enrollment Manager

cc: HCFA regional office