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Beginning July 1, CMS will not pay PBD claims if addresses do not match

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Beginning July 1, 2019, hospitals will have to ensure that their off-campus provider-based department (“PBD”) claims addresses match their Medicare enrollment addresses *exactly*. If the addresses in a claim fail to match exactly, CMS will return the claim to the hospital. Currently, CMS has allowed claims with addresses that do not match; i.e., if the address on the claim uses “Road” but the enrollment forms use “Rd.,” the claim would still be paid, but come July 1, that will no longer be the case.

Background

CMS implemented [Section 603 of the Bipartisan Budget Act of 2015](#),¹ changing reimbursements for PBDs through what is now known as the site-neutral payment policy. This policy provides that non-expected PBDs will be paid under the Medicare Physician Fee Schedule (“PFS”), instead of the Medicare Outpatient Prospective Payment System (“OPPS”). This results in substantially lower reimbursements. President Barack Obama later signed the [21st Century Cures Act](#),² allowing more PBDs to be considered “expected” and receive the higher OPPS rates. On July 31, 2018, CMS released a final rule stating that clinic visits will be paid at the PFS, regardless of whether the PBD is expected or non-expected. To determine the appropriate payment structure, CMS is requesting the PBD addresses on claims exactly match those in the hospital’s enrollment data.

CMS guidance

In 2016, CMS released guidance stating that all PBDs under the purview of §603 of the Bipartisan Budget Act of 2015 must be correctly identified on their CMS 855A enrollment forms, effective January 1, 2017. Then, CMS issued a Medicare Learning Network Special Article, also effective January 1, 2017, emphasizing the need to match PBD addresses on claims with what is listed in the Provider Enrollment, Chain and Ownership System (“PECOS”) enrollment system. The article stated that non-matching addresses would result in returned claims.

¹Pub. L. No 114-74 §603.

²Pub. L. No 114-255.

In 2018, CMS reviewed hospitals' claims and found that many did not list the exact service facility location that matched the Medicare enrolled location within PECOS. CMS found that most discrepancies were minor spelling variations such as "Road" versus "Rd" versus "Rd." On March 29, 2019, CMS released a [Medicare Learning Network Matters Special Edition Article](#) on the CMS exact match address policy. This article once again warned hospitals that claims with addresses that do not match the address on file in the PECOS system would be returned beginning July 1, 2019.

If a claim is returned due to a non-matching address, the provider will have to resubmit the claim. This can take an additional 30 to 45 days. The higher the volume of returned claims, the greater the administrative burden on the provider to clarify and resubmit.

What should hospitals do?

If they have not done so already, hospitals must verify that all PBD addresses on their claims match their enrollment addresses in PECOS. CMS has issued [instructions](#) to the Fiscal Intermediary Shared System to make the practice location addresses screen from PECOS available to hospitals through the Direct Data Entry ("DDE"), so they can compare what is on file against their claims address. Hospitals should review this information to avoid returned claims and the administrative burden of resubmission.

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