How Can Private Practice Clinics Gain a Competitive Edge?

Durable Medical Equipment
If you are a physical or occupational therapist in the United States that has been in private practice then you have surely experienced the anxiety filled hour (or two!) of working out a good plan of action to effectively increase your referrals. You are undoubtedly familiar with the work it takes to be viewed in your community as a cut above the rest or at least above your competition around the corner.

• Physician Relationships
• Direct Marketing
• Advertising
• Newsletters
• Blogging
• Community outreach
• Customized Programs
• Hi-Tech equipment

Most of the time equals...
Little pay off.....
For all of the rest of us who do experience a certain level of this "anxiety" or "stress" from trying to pay the bills month to month, I have a recommendation for you.

We know that therapists are constantly reaching and striving for the ultimate in patient care and perfection at their clinics without spending hundreds of thousands of dollars. May I suggest introducing Durable Medical Equipment into your practice?
How many of you are familiar with the term DME?

Are any of you currently dispensing and billing DME to major insurance carriers in their private practice?
What Is Durable Medical Equipment?

Generally, Medicare defines durable medical equipment as equipment that:

• Is prescribed or ordered by a doctor.
• Is medically necessary.
• Is appropriate for use in the home.
• Fills a medical need. (That is, it has to be more than a convenience.)
• Is “durable,” meaning reusable. (This requirement would not apply to medical supplies.)
• Is not the kind of equipment used by people who aren’t sick or injured.
I honestly believe that DME has been a very well kept secret in the private practice rehab world. Durable Medical Equipment is a sort of "diamond in the rough," so to speak.

Secret....WHY?

Revenue:
- Very profitable $$$

This is why many DME manufacturers will give you DME items and bill them for you free of charge.
- Also if they manufacture the DME items they stand to make 20 times the profit that your clinic can make

...So why would the want to tell you about DME?
Some History

The Centers for Medicare & Medicaid Services amended requirements effective back in 2009 that clearly stated PT's and OT's fell under a special exemption rule and were not obligated to become Accredited in order to dispense Durable Medical Equipment in their private practices. This was some really excellent news, but I believe it was overlooked by many individual practitioners. We've found that may therapists do not follow DME or simply are not knowledgeable about the benefits of implementing this line of business into their private practice.
Guidance on the Medicare Improvements for Patients and Providers Act of 2008

• The MIPPA, section 154(b), added a new subparagraph (F). This subparagraph states that eligible professionals and other persons (defined below) are exempt from meeting the September 30, 2009 accreditation deadline unless CMS determines that the quality standards are specifically designed to apply to such professionals and persons. CMS will work in collaboration with the medical and professional groups to develop specific quality standards. Those providers that were accredited prior to the enactment of MIPPA will not have to undergo a re-accreditation process.
DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS AND SUPPLIES (DMEPOS) ACCREDITATION FACT SHEET

The eligible professionals (as defined in section 1848(k)(3)(B)) include the following practitioners:

- Physicians (as defined in section 1861(r) of the Act),
- Physical Therapists,
- Occupational Therapists,
- Qualified Speech-Language Pathologists,
- Physician Assistants,
- Nurse Practitioners,
- Clinical Nurse Specialists,
- Certified Registered Nurse Anesthetists,
- Certified Nurse-Midwives,
- Clinical Social Workers,
- Clinical Psychologists,
- Registered Dietitians, and
- Nutritional professionals.
# ACCREDITATION & SURETY BOND EXEMPTIONS

This chart illustrates DMEPOS supplier exemptions from either the accreditation or surety bond requirement to obtain/maintain Medicare billing privileges. A ‘Y’ indicates that the supplier is exempt. An ‘N’ indicates that the supplier is not exempt from the requirement. We recommend that you review the list of surety bond FAQs on the NSC Web site for more detailed information on the exemptions to the bond requirement.

<table>
<thead>
<tr>
<th>Supplier Type/Specialty</th>
<th>Accreditation</th>
<th>Surety Bond</th>
<th>Additional Surety Bond Exemption Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federally-owned Indian Health Services</td>
<td>N</td>
<td>Y</td>
<td>If the DME supplier has provided CMS with a comparable surety bond under State law</td>
</tr>
<tr>
<td>Government-operated DMEPOS Suppliers</td>
<td>N</td>
<td>Y</td>
<td></td>
</tr>
</tbody>
</table>
| Occupational/Physical Therapists | Y | Y | 1) The business is solely-owned and operated by the OT/PT.  
2) The items are furnished only to the OT/PT’s own patients as part of his/her professional service; and  
3) The business is only billing for orthotics, prosthetics, and supplies |
| Optometrists | Y | N | |
| Orthotists/Prosthetists | Y | Y | 1) The O/P personnel are in private practice.  
2) The business is making custom-made orthotics and/or prosthetics;  
3) The business is solely-owned and operated by the O/P personnel; and  
4) The business is only billing for orthotics, prosthetics, and supplies |
| Pharmacists (exempt from accreditation if only providing drugs covered by the DME benefit) | Y | N | Only if providing items to own patients as part of physician's or practitioner's own services |
| Physicians and those non-physician practitioners identified in section 1842(b)(18) of the Social Security Act  
- Physician Assistant  
- CRNA  
- Certified Nurse Midwife  
- Clinical Social Worker  
- Clinical Psychologist  
- Registered Dietician or nutritional professionals | Y | Y | |

- Exempt suppliers are reminded that accreditation and surety bond exemptions only extend to the normal scope of services for the supplier specialty. Any products or services provided outside the normal range of services will require accreditation and/or a surety bond to obtain/maintain Medicare billing privileges.

- For additional information regarding surety bond exemptions, log on to the NSC web site to view a complete listing of FAQs – www.PalmettoGBA.com/NSC  

- For more information on the accreditation requirement view the DMEPOS Accreditation: MIPPA Fact Sheet  
http://www.cms.hhs.gov/MedicareProviderSupEnroll/Downloads/DMEPOSAccreditationMIPPA-FactSheet.pdf
In November 2006, the Centers for Medicare & Medicaid Services (CMS) approved 10 national accreditation organizations that will accredit suppliers of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) as meeting new quality standards under Medicare Part B.

In order to enroll or maintain Medicare billing privileges, all DMEPOS suppliers (except for exempted professionals and other persons as specified by the Medicare Improvement for Patients and Providers Act of 2008) must comply with the Medicare program's supplier standards (found at 42 CFR §424.57 (c)) and quality standards to become accredited. The accreditation requirement applies to suppliers of durable medical equipment, medical supplies, home dialysis supplies and equipment, therapeutic shoes, parenteral/enteral nutrition, transfusion medicine and prosthetic devices, and prosthetics and orthotics.
Surety Bond

The Centers for Medicare & Medicaid Services (CMS) published a final rule titled, "Medicare Program: surety Bond Requirement for Suppliers of Durable Medical Equipment, Prosthetics, Orthotics, and supplies (DMEPOS)" in the Federal Register on January 2, 2009. This final rule implemented Section 4312(a) of the Balanced Budget Act of 1997 and requires certain DMEPOS suppliers to obtain and maintain surety bond on continuing basis. Section 4312(b) requires that a surety bond be in amount of not be less than $50,000.

Enrolled DMEPOS suppliers, subject to the bonding requirement, are required to obtain and submit $50,000 bond for each National Provider Identifier (NPI) by October 2, 2009 to the National Supplier Clearinghouse (NSC). Since DMEPOS suppliers must obtain an NPI by practice location, except for sole proprietorships. For example, an organizational DMEPOS supplier with 20 practice locations would be required to secure a $1 million surety bond.
Additional Surety Bond Exemption Criteria for PT/OT Clinics

- The business is solely-owned and operated by the OT/PT
- The items are furnished only to the OT/PT’s own patients as part of his/her professional service
- The business is only billing for orthotics, prosthetics, and supplies
The revenue benefits are not the highlight of this program in your practice, it is the continuity in patient care and the reassurance that your patient is not being fitted for DME (splints, braces, ect.) by someone less qualified than you.

There are independently owned PT/OT practices learning and implementing their own DME program with great success and it has most definitely provided an edge over some other competitors.
Ready to learn more?
Here are three initial steps to become a DME Supplier:

1. Fill out your 855S Enrollment Application
2. Begin asking your commercial and work comp payers for a DME Fee Schedule and request enrollment forms
3. Reach out to your local government agencies and see if you can supply their injured workers with DME Supplies (and of course their therapy)
Resources

For more information about DMEPOS, the DMEPOS Quality Standards, and accreditation, refer to the resources listed below.

Centers for Medicare & Medicaid Services (CMS)
http://www.cms.gov

CMS Durable Medical Equipment (DME) Center
http://www.cms.gov/center/dme.asp

CMS DMEPOS Accreditation
http://www.cms.gov/MedicareProviderSupEnroll/07_DMEPOSAccreditation.asp

For more information on the CMS DMEPOS Accreditation process, refer to The Basics of DMEPOS Accreditation Fact Sheet (ICN 905710) at

CMS DMEPOS Supplier Standards

In addition to meeting the DMEPOS Quality Standards, all Medicare DMEPOS suppliers must be in compliance with these supplier standards in order to obtain and retain their billing privileges.
http://www.cms.gov/MedicareProviderSupEnroll/10_DMEPOSSupplierStandards.asp
Durable Medical Equipment Medicare Administrative Contractors (DME MACs)

A: NHIC
B: National Government Services
C: CIGNA Government Services
D: Noridian Administrative Services
DME MACs

National Supplier Clearinghouse (NSC)
http://www.palmettogba.com/nsc

DME Medicare Administrative Contractors (DME MACs)

● Jurisdiction A: National Heritage Insurance Company (NHIC)
  http://www.medicarenhic.com/dme

● Jurisdiction B: National Government Services (NGS)
  http://www.ngsmedicare.com

● Jurisdiction C: Cigna Government Services http://www.cgsmedicare.com/jc

● Jurisdiction D: Noridian Administrative Services (NAS)
  http://www.noridianmedicare.com/dme

Common Electronic Data Interchange (CEDI)
http://www.ngscedi.com

• For additional information regarding surety bond exemptions, log onto the NSC web site to view a complete listing of FAQs – http://www.palmettogba.com/NSC

• To view the Surety Bond Regulation published in the Federal Register on January 2, 2009, access through the NSC web-site/articles, or go to - http://www.gpo.gov/fdsys/pkg/FR-2009-01-02/pdf/E8-30802.pdf

• For more information on the accreditation requirement view the DMEPOS Accreditation MIPPA Fact Sheet http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/downloads/DMEPOSAccreditationMIPPA-FactSheet.pdf
Timothy L. Beury is the Operations Manager with Medical Resource Association, Inc. whose headquarters are in Sarasota, Florida. He is passionate about educating healthcare practitioners about ways to help them grow without breaking the bank! He has been helping independently owned healthcare businesses for over 15 years and has been attending educational outreach courses with the local Medicare Intermediaries across the US.