

## Medicare's PECOS System

Since 2003, the Centers for Medicare and Medicaid Services (CMS) has used the Provider Enrollment, Chain and Ownership System (PECOS) for physician Medicare enrollment. In December 2008, CMS launched the internet-based PECOS, an online provider-enrollment system that allows physicians, non-physician practitioners and providers, and supplier organizations to enroll in Medicare, as well as view and make any necessary changes to their enrollment.<sup>1</sup> While CMS has promoted the advantages of web-based enrollment, there have been several delays in the system's official start date, and physician groups, including the American Medical Association (AMA) have expressed concern over the system's implementation.<sup>2</sup>

CMS aims for all physicians to enroll in PECOS via the online or paper (CMS-855) form. Physicians not enrolled in Medicare or who enrolled in Medicare prior to 2003 must apply or reapply through the PECOS system, or risk having Medicare claims denied. To apply, providers must have a National Plan and Provider Enumeration System user ID and password (the same system that provides NPI numbers), complete the application, and sign a certification statement.<sup>3</sup> Upon the system's full implementation, an automated editing system will deny claims for services ordered or referred by physicians not registered under PECOS.<sup>4</sup> CMS has set several deadlines for mandatory enrollment through PECOS.

Starting October 2009, CMS contractors sent out non-payment warnings to physicians not registered in the PECOS database. CMS extended the date they would begin rejecting claims for physician non-registration from December 31, 2009 to April 5, 2010. This deadline was again extended to January 3, 2011 at the urging of the AMA and other physician groups.<sup>5</sup> Due in large part to passage of the Patient Protection and Affordable Care Act, CMS released an interim final rule on PECOS, advancing mandatory enrollment by five months to July 6, 2011.<sup>6</sup> Significant pressure from the medical community, enrollment backlogs, and other system issues have caused CMS to disband this deadline and review the online system with no official start date in sight.<sup>7</sup>

The AMA perhaps most strongly opposes this mandatory shift to online enrollment, arguing that many

doctors find the PECOS process unduly complex.<sup>8</sup> One major source of confusion is the requirement that a referring physician – not just the treating physician – must also establish a current enrollment record in PECOS. If a referring physician is not registered, the treating physician's claim may be denied.<sup>9</sup> There is also strong concern that many in the home health medical supply community may not be aware of enrollment requirements, and physicians already enrolled in Medicare prior to 2003 may not fulfill the need to reenroll in PECOS.<sup>10</sup>

Since PECOS inception, CMS has pointed out several advantages and efficiencies provided by an online enrollment process. Compared to the previously utilized paper enrollment, the online PECOS form is provider-specific, and thus only responses relevant to one's specific enrollment are required. CMS aims to make PECOS easier to complete and update, thus requiring less staff time and administrative costs.<sup>11</sup> CMS also states that compared to the paper form's 60-day processing time, PECOS averages roughly 45 days to fully process the enrollment.<sup>12</sup>

CMS has pledged to give providers ample notice of mandatory enrollment and is attempting to address concerns with the system by working with providers to make this process more user-friendly and beneficial.<sup>13</sup> To help CMS achieve its desired results, AMA President Dr. Cecil B. Wilson has commented: *"As CMS moves forward, it is critical that they continue to fully consider all comments received and address other critical issues. We also continue to urge CMS to work collaboratively with us to address the systemic problems with enrollment, such as long processing backlogs and ill-equipped customer service lines, which prevent physicians from enrolling."*<sup>14</sup>

<sup>1</sup> "Internet-Based PECOS" Centers for Medicare and Medicaid Services, May 27, 2011, [https://www.cms.gov/MedicareProviderSupEnroll/04\\_InternetbasedPECOS.asp#TopOfPage](https://www.cms.gov/MedicareProviderSupEnroll/04_InternetbasedPECOS.asp#TopOfPage), (Accessed 8/3/2011); "Physicians Seek More Medicare PECOS Relief" By Chris Silva, American Medical News, July 19, 2010, <http://www.ama-assn.org/amednews/2010/07/19/gvsa0719.htm>, (Accessed 8/3/2011).

<sup>2</sup> "Medicare PECOS Deadline Extended Again" By Chris Silva, American Medical News, March 8, 2010, <http://www.ama-assn.org/amednews/2010/03/08/gvsa0308.htm>, (Accessed 8/3/2011).

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- <sup>3</sup> “Internet-Based PECOS” Centers for Medicare and Medicaid Services, May 27, 2011, [https://www.cms.gov/MedicareProviderSupEnroll/04\\_InternetbasedPECOS.asp#TopOfPage](https://www.cms.gov/MedicareProviderSupEnroll/04_InternetbasedPECOS.asp#TopOfPage), (Accessed 8/3/2011).
- <sup>4</sup> “Update on PECOS Implementation” The American Occupational Therapy Association, January 1, 2011, <http://www.aota.org/News/AdvocacyNews/PECOS-Update.aspx?css=print> (Accessed 8/26/2011).
- <sup>5</sup> “Physicians Seek More Medicare PECOS Relief” By Chris Silva, American Medical News, July 19, 2010, <http://www.ama-assn.org/amednews/2010/07/19/gvsa0719.htm>, (Accessed 8/3/2011).
- <sup>6</sup> “Medicare and Medicaid Programs; Changes in Provider and Supplier Enrollment, Ordering and Referring, and Documentation Requirements; and Changes in Provider Agreements” Federal Registrar, Vol. 75, No. 86, May 5, 2010, p.24437.
- <sup>7</sup> “CMS To Review PECOS Enrollment Process” Press Release By Centers for Medicare and Medicaid Services, June 30, 2010; “PECOS: Will Your Medicare Claims be Rejected?” By Michele Kelly, California Medical Association, July 15, 2011, [http://www.cmanet.org/news/detail/?article=pecos-will-your-](http://www.cmanet.org/news/detail/?article=pecos-will-your-medicare-claims-be-rejected)
- <sup>8</sup> [medicare-claims-be-rejected](http://www.cmanet.org/news/detail/?article=pecos-will-your-medicare-claims-be-rejected) (Accessed 8/3/2011). “Physicians Seek More Medicare PECOS Relief” By Chris Silva, American Medical News, July 19, 2010, <http://www.ama-assn.org/amednews/2010/07/19/gvsa0719.htm>, (Accessed 8/3/2011).
- <sup>9</sup> “Physicians Seek More Medicare PECOS Relief” By Chris Silva, American Medical News, July 19, 2010, <http://www.ama-assn.org/amednews/2010/07/19/gvsa0719.htm>, (Accessed 8/3/2011).
- <sup>10</sup> “Medicare PECOS Deadline Extended Again” By Chris Silva, American Medical News, March 8, 2010, <http://www.ama-assn.org/amednews/2010/03/08/gvsb0308.htm>, (Accessed 8/3/2011).
- <sup>11</sup> “Internet-Based PECOS” Centers for Medicare and Medicaid Services, May 27, 2011, [https://www.cms.gov/MedicareProviderSupEnroll/04\\_InternetbasedPECOS.asp#TopOfPage](https://www.cms.gov/MedicareProviderSupEnroll/04_InternetbasedPECOS.asp#TopOfPage), (Accessed 8/3/2011).
- <sup>12</sup> “Internet-Based PECOS” Centers for Medicare and Medicaid Services, May 27, 2011, [https://www.cms.gov/MedicareProviderSupEnroll/04\\_InternetbasedPECOS.asp#TopOfPage](https://www.cms.gov/MedicareProviderSupEnroll/04_InternetbasedPECOS.asp#TopOfPage), (Accessed 8/3/2011).
- <sup>13</sup> “CMS To Review PECOS Enrollment Process” Press Release By Centers for Medicare and Medicaid Services. June 30, 2010.



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