

# Your guide to Medicare Part B reimbursement







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We have developed this guide to make it easier to understand the Centers for Medicare & Medicaid Services (CMS) requirements and enrollment process for pharmacies. The information is current as of June 2017 (except where noted), but it is important to understand that this information is not all-inclusive and is subject to change. Your state may have additional rules and requirements that are not addressed here. This guide should not be construed as legal advice, and you may wish to consult your own counsel if you have questions about compliance. Be sure to check with CMS for the latest details.



# Understanding the business opportunity

The scope of practice for pharmacists in the U.S. is rapidly expanding. As trusted and accessible healthcare providers, pharmacists are in a unique position to provide services beyond dispensing medications to patients. Some of these expanded pharmacy services are reimbursable through the Medicare medical benefit, Medicare Part B. This guide is designed to help your pharmacy explore how it can maximize profitability when conducting Medicare Part B reimbursable services.

Pharmacy services reimbursable through Medicare Part B include clinical services (like immunizations and diabetes education), DMEPOS, and dispensing Medicare Part B medications. Providing these services serves as an important source of additional revenue for your pharmacy. These services can also help you attract new patients and expand your relationship with existing patients.

## Clinical services

Immunizations, diabetes education and smoking cessation are examples of clinical services that are reimbursable by Medicare Part B in the pharmacy.

### Vaccines

The most common Medicare Part B clinical service in the pharmacy is immunizations. Some of the most common vaccines are reimbursed through Medicare Part B, including influenza, pneumococcal and hepatitis B vaccines (for intermediate- and high-risk patients). For more information on billable vaccines, visit the section “[Helpful tips for billing](#).” These vaccines are given regularly in the growing senior population, so it’s advisable to be a Medicare Part B provider to maximize reimbursement.

Providing vaccinations can be a profitable business for your pharmacy. Each flu shot yields an average \$23 profit for a pharmacy, which opens the door for additional core vaccine profitability as well.

### Diabetes self-management education (DSME)

Diabetes self-management education (DSME) is an evidence-based program that helps individuals with diabetes acquire the knowledge, skill and ability needed for self-care of their condition. In 2015, ADA, AADE and the Academy of Nutrition and Dietetics issued a joint position statement indicating that DSME be provided to all individuals with diabetes at the time of diagnosis and as needed thereafter. Despite this call to action, less than 5% of people with diabetes are receiving this education. Hospitals and physicians are moving away from this practice, which leaves a major opportunity for independent pharmacies.<sup>1</sup>

DSME is reimbursable for pharmacies through Medicare Part B either in group or individual settings. Medicare pays for up to 10 billable hours for the first 12 months and up to 2 billable hours a year thereafter.

### Smoking cessation and more

Pharmacies are exploring additional clinical services, like smoking cessation and dietary training that in some cases are reimbursable by Medicare Part B or some regional Medicare payers.

## DMEPOS

Pharmacies are able to bill for durable medical equipment, prosthetics, orthotics and supplies (DMEPOS), which includes diabetes-care products.

The number of diabetes patients in the United States, plus their annual spending, makes diabetes-care products a very attractive area for a pharmacy. Pharmacies that stock diabetes-care products and bill Medicare can attract more patients and better retain current ones.

In addition to diabetes supplies, many pharmacies create a niche for themselves as Medicare billing providers for a full range of DME supplies. Aside from diabetes testing supplies, the most common items billed under Part B in the retail pharmacy space include wheelchairs, nebulizers, walkers, diabetic shoes and ostomy supplies.

## Medicare Part B medications

Some drugs are reimbursable by Medicare Part B instead of Medicare Part D. These drugs are often associated with durable medical equipment and specific diseases, as well as drugs and biologicals that are not usually self-administered by the patient. Part B covered medications identified in section 1861 (S) of the Social Security Act are considered “non-accredited products” and include epoetin, immunosuppressants (post-transplant), infusion drugs, nebulizer drugs, oral anticancer drugs, and oral antiemetic drugs tied to a chemotherapy regimen. The most common Part B medications pharmacies bill are inhalants (bronchodilators and steroids) for nebulizer use and insulin for diabetic pumps. These items are not subject to CMS quality standards and do not require accreditation.

Billing Part B medications requires that your pharmacy staff is able to provide a certain level of patient care with the dispensed drug. Therefore, with the appropriate level of care, Part B medications can be a great way to gain favor with brand manufacturers and physician specialists, and differentiate your store from the competition.



# How to enroll as a Medicare Part B provider

The main form you will complete during this application process is the CMS-855 form. You will most likely complete the CMS-855B or CMS-855S forms. There are several 855 forms that are distinguished as follows:

- **CMS-855B** — This application should be completed by supplier organizations (e.g., ambulance companies, pharmacies) that will bill Medicare Part B for clinical services (immunizations, DSME, smoking cessation).
- **CMS-855S** — This application should be completed by suppliers of DMEPOS. The National Supplier Clearinghouse (NSC) is responsible for processing this type of enrollment application. A separate application must be submitted for each provider/supplier type. You will also use this form if you are billing for Medicare Part B medications. If you would like to provide immunizations and Part B medications and/or DMEPOS, you will need to complete both the 855B and 855S forms.
- **CMS-855I** — This application should be completed by physicians and non-physician practitioners who render Medicare Part B services to beneficiaries. (This includes a physician or practitioner who: (1) is the sole owner of a professional corporation, professional association, or limited liability company, and (2) will bill Medicare through this business entity.)

If you enroll as a Medicare Part B provider through PECOS, you will answer a series of questions that should bring you to the correct CMS-855 form(s) for your situation. For more information, see Step 5 on the next page.



## TIP

If your organization is an LLC, you may need to complete the CMS-855I form. Contact your Medicare Administrative Contractor (MAC) to confirm.

## THE MEDICA

### STEP 1

Obtain a National Provider Identifier (NPI) Number. A NPI is a unique identifier for healthcare providers, which is necessary to engage in the billing process. Most pharmacies already have an NPI.  
([Click here to access the NPI application.](#))

### STEP 2

Obtain a surety bond. Suppliers are required to obtain and submit a \$50,000 bond for each NPI location. Medicare surety bonds are obtainable from most insurance companies.

### STEP 3

Pay the application fee prior to submitting your Medicare Part B provider application. The current fee is \$560.00 and is subject to change. You will need a copy of your payment confirmation when submitting your Medicare Part B provider application.  
([Click here to access the application fee page.](#))

### STEP 4

Download and complete the following supporting documents for your Medicare Part B provider application. You will submit the appropriate forms as attachments to your Medicare Part B application:

1. CMS-588 Electronic Funds Transfer form.

Note: If a supplier already receives payments electronically and is not making a change to its banking information, the CMS-588 is not required. ([Click here for the form.](#))

2. CMS-460 Medicare Participating Physician or Supplier Agreement (optional)  
([Click here for the form.](#))

Note: Not all pharmacies choose to be “participating” in order to allow the flexibility to accept assignment or not accept assignment on a claim-by-claim basis. If you do not want to choose “participating,” then do not complete or submit this form.

# RE PART B APPLICATION PROCESS

## STEP 5

Complete the CMS-855 Medicare Part B enrollment application online through Provider Enrollment, Chain and Ownership System (PECOS).

([Click here to access PECOS.](#))

- I. There are several different 855 forms available depending on which service you will provide at your pharmacy. When you log into PECOS, you will answer a series of questions that will take you to the relevant 855 form.
  - a. **CMS-855B** form is used for clinical services (immunizations, DSME, smoking cessation). If you are not accredited to bill for DMEPOS, select “No” when asked if you are a DME supplier. PECOS currently does not have a “pharmacy” option for supplier type. It’s recommended **NOT** to select “mass immunizer” and instead designate yourself as “other” and type in “pharmacy.”
  - b. The **CMS-855S** form is used for Part B medications and DMEPOS. You will need to include on the form whether you qualify for the DMEPOS diabetic supplies exemption or have completed DMEPOS accreditation. You do not need to be accredited to complete the 855S form if you only want to provide Part B medications.
2. When prompted, you will need to provide the following:
  - a. A copy of your surety bond (from Step 2)
  - b. A copy of your application fee confirmation (from Step 3)
  - c. The CMS-588 form and CMS-460 form to your application (from Step 4)
  - d. State Board of Pharmacy license
  - e. Federal, state and/or local business license
  - f. Copy of Certification of Insurance for comprehensive liability policy
  - g. Written confirmation from the IRS confirming your Tax Identification Number and Legal Business Name (i.e., IRS Form CP-575)

**NOTE:** This information is needed if the applicant is enrolling a professional corporation, professional association or limited liability corporation with this application or enrolling as a sole proprietor using an Employer Identification Number.

### TIP

The Provider Transaction Access Number (PTAN) received from the CMS-855S application for medications and DMEPOS is separate from the billing number for clinical services. If you are already a Medicare Part B provider for DMEPOS/medications, you’ll still need to complete the CMS-855B form to become a Medicare Part B provider for immunizations and other clinical services. Both the CMS-855B and CMS-855S are required if you would like to provide both medications and immunizations, as each form results in a separate PTAN type being issued.

### Need more information?



Watch the 11-minute PECOS tutorial video explaining the Medicare Part B enrollment application process.  
([Click here for the video.](#))



Contact your state’s Medicare Administrative Contractor (MAC) for more information.  
([Click here to find the phone number for your state’s MAC.](#))

# Tips for completing the PECOS application

## **Q What should I list as the “Reason for Submitting” within PECOS?**

**A** Typically, the “Reason for Submitting” is “You are a New Enrollee” unless you already have a PTAN number.

## **Q What should I input as the “Effective Dates” on my application?**

**A** You do not need to input “effective dates” unless you are changing information, such as your address or hours of operation.

## **Q In the “Type of Supplier” section, what should I designate myself as?**

**A** It’s best practice to select “pharmacy.” If you select “mass immunizer” you will not be able to easily add other clinical services in the future. When submitting your application on PECOS, select “pharmacy.” If there is no “pharmacy” option, select “other” and type in “pharmacy.”

## **Q Should I choose “participating”?**

**A** Many pharmacies choose “non-participating” to allow the flexibility to accept assignment or not accept assignment on a claim-by-claim basis. You may want to consult a legal expert to fully understand how this selection impacts your pharmacy. Submitting CMS-460 tells Medicare that you would like to be participating. If you do not submit CMS-460, you will automatically be non-participating.

Whatever you choose affects your reimbursement on **all** Medicare services. You cannot differentiate between your statuses on DME, immunizations, clinical services, diabetes supplies, etc.

## **Q Should I choose to “accept assignment”?**

**A** You must accept assignment for immunizations and Part B medications. If you choose to be a participating provider you will always take assignment. However, by selecting non-participating you can choose when you want to take assignment or not.

## **Q Can I enroll as a Medicare Part B provider only for diabetes education?**

**A** You cannot enroll as a Medicare Part B provider only for diabetes education. Diabetes education is an “add on” to a current provider enrollment. If you currently have a PTAN as a “pharmacy” you would not be required to pay another enrollment fee to add diabetes education. However, if you are designated as a “mass immunizer,” you will not be able to add diabetes education to your PTAN until you change your provider type.

Once you are ready to add DSME to your PTAN as a pharmacy, you can add an Action Reason Code specific to diabetes education by submitting the appropriate accreditation certificate to your MAC.

## **Q Do I need to wait until I’m accredited to complete the 855S application? What if I just want to provide non-accredited medications?**

**A** If you are completing the 855S form for DMEPOS, do not enter any accreditation information **UNLESS** you have completed your accreditation or meet the requirements to check the exempt box.

You do not need to be accredited to complete the 855S application if you **only** want to provide Part B medications. For “non-accredited products” you may select some or all of the drug items — these items do not require accreditation.



**Q What if I already have a PTAN but am registered as a mass immunizer and now want to change my designation to a pharmacy?**

**A** You must submit application 855B either on paper or through the PECOS website to change provider type and you may need to pay another fee.

**Q Do I need to re-validate my Medicare provider enrollment?**

**A** Yes, enrollment must be re-validated every five years through PECOS for an 855B billing number and every three years for a supplier 855S billing number.

**Q How long does it take for Medicare to approve enrollment?**

**A** It takes about three months for Medicare to review and approve enrollment via PECOS, so start early! The process is longer if you submit a paper application.



# Accreditation

Immunizations and Part B medications are non-accredited products and **do not** require accreditation. However, accreditation is required to provide DME supplies and diabetes education.

## Getting accredited for DMEPOS

For DMEPOS, pharmacies **MUST** comply with the 30 Medicare DMEPOS Supplier Standards and, unless they qualify for exemption, pharmacies must be properly accredited by a CMS-approved accreditation organization to receive and maintain their Medicare Part B billing number. If you have any questions regarding these standards, you may wish to contact the [National Supplier Clearinghouse](#) (NSC) managed by Palmetto GBA<sup>ii</sup> or your regional MAC.

### Use a service to help you through the process

There are currently 10 companies approved by CMS as accreditation organizations to help your pharmacy through the accreditation process. More information on these organizations can be found [here](#).

The most commonly utilized accreditation services that support pharmacies in the process are:

- National Association of Boards of Pharmacy: <https://nabp.pharmacy/programs/dmepos>
- Network Accreditation Services Inc. (NASI): <https://www.prsrxnetwork.com>

## Pharmacy accreditation exemption — strips and lancets only

As of January 1, 2011, pharmacies that meet certain criteria may file an accreditation exemption statement with the National Supplier Clearinghouse to seek exemption from the DMEPOS accreditation requirement.

Pharmacy exemption information can be found on the [NSC website](#). The “exemption attestation statement” includes a compact fact sheet and attestation form that can be submitted to the NSC to request exemption approval.<sup>iii</sup>

## Getting accredited for diabetes education

Pharmacies must be accredited to bill Medicare Part B for diabetes education services. There are a few services that can support independent pharmacies through the accreditation process for diabetes education:

- DASPA offers community pharmacists training to expand their role into diabetes self-management education/training (DSME/T). For more information on the course, call NCPA at 800.544.7447 or visit [http://www.ncpanet.org/meetings/diabetes-accreditation-\(daspa\)](http://www.ncpanet.org/meetings/diabetes-accreditation-(daspa)).
- Creative Pharmacist is a clinical pharmacy solution center. Their solutions support everything from diabetes education to transitions of care and COPD management, and they provide pharmacies with the right tools, technology and marketing to successfully manage these services. To learn more, visit <https://creativepharmacist.com/pharm/contact>.

# Helpful tips for billing

## Immunizations

The vaccines below are eligible for reimbursement through Medicare Part B:<sup>iv</sup>

- Influenza: annual influenza vaccine.
- Pneumococcal: 13-valent pneumococcal conjugate vaccine (PCV13) followed by 23-valent pneumococcal polysaccharide vaccine (PPSV23) at least one year after PCV13.
- Hepatitis B series based on physician order for intermediate- to high-risk patients. Intermediate- to high-risk patients include:
  - Healthcare professionals who have frequent contact with blood or blood-derived body fluids during routine work
  - Patients with end-stage renal disease (ESRD)
  - Patients who live in the same household as an HBV carrier
  - Patients diagnosed with diabetes mellitus<sup>v</sup>

For more information on vaccine diagnosis codes and descriptors, visit [Medicare Part B Immunization Billing](#). For up-to-date Medicare immunization pricing, visit [CMS Vaccine Pricing](#).

Medicare Part B claims will often request a prescriber NPI. If your state requires a Collaborative Practice Agreement (CPA), use that physician's NPI to complete the claim. If you do not have a physician who can sign your Collaborative Practice Agreement, see if you are eligible to enroll in the Health Mart<sup>®</sup> [Collaborative Practice Agreement](#) program. If your state does not require a CPA, an immunization-certified pharmacist may use their own personal NPI for billing.

## Diabetes education

Diabetes education is covered for diabetic beneficiaries (usually insulin dependent) with high-risk complications of the foot, kidney complications or retinopathy. Medicare pays for up to 10 billable hours of diabetes education for the first 12 months, and up to two billable hours a year thereafter.

Physician orders are required to provide and bill for diabetes education. The order should include a statement signed by the physician that the service is needed as well as:

- The number of initial or follow-up hours ordered
- The topics to be covered in training
- A determination that the beneficiary should receive individual or group training

## DMEPOS (diabetes testing supplies)

Medicare Part B reimburses for diabetes supplies. The beneficiary will have an annual Medicare deductible and co-pay, and most, but not all, secondary insurance plans will cover the annual deductible as well as the co-pay.

Medicare Part B covers doctors' fees and diabetic supplies, including blood-glucose monitors, test strips, lancet devices and lancets, batteries, control solution, therapeutic shoes, insulin (for a pump), and insulin pumps.<sup>vi</sup>

For Medicare coverage of a blood-glucose monitor and associated accessories, the provider must provide a valid prescription (order) which must state to the supplier:<sup>vii</sup>

- Patient name
- Detailed description of the items being provided, including:
  - The specific frequency of testing ("as needed" or "PRN" orders are not acceptable)
  - The length of need

*continued on next page*



# Helpful tips for billing

*(continued)*

- Diagnosis code
- Treating physician's signature and date order signed
- Start date of the order (only required if the start date is different from the signature date)

**For beneficiaries who are insulin-dependent,**

Medicare provides coverage for up to 300 test strips and lancets every month, and one lancet device every six months.<sup>viii</sup>

**For beneficiaries who are non-insulin-dependent,**

Medicare provides coverage for up to 100 test strips and lancets every three months, and one lancet device every six months.<sup>ix</sup>

Some manufacturers will have different requirements for billing diabetes strips for Medicare. Contact your sales representative to be sure you have the correct pricing.

# Billing Medicare

## Part B

### Using a third-party billing vendor

Billing Medicare for your patients offers added convenience and gives them a good reason to continue receiving Part B-reimbursable services, like vaccines, DSME and others, from your pharmacy. There are several third-party claims-processing vendors to manage the reimbursement process directly in your pharmacy workflow. For most pharmacies, the cost of a claims-processing service is more than justified. These services make the billing process in your pharmacy more efficient, help avoid errors that can cause costly delays in payment, and simplify tracking and reconciliation. Many vendors provide real-time eligibility checks, diagnosis code verification, assistance with documentation requirements and NCPDP claims submission within your pharmacy system.

Below are five vendors that provide Medicare Part B claims processing. This information is up to date as of April 2017 and subject to change. Be sure to verify with the vendor the types of claims you are looking to submit (e.g., immunizations, diabetes education, etc.) as capabilities may vary by vendor. Contact each vendor directly for up-to-date information.

VENDOR	WEBSITE
Change Healthcare	<a href="http://www.changehealthcare.com/legacy/solutions/pharmacy">http://www.changehealthcare.com/legacy/solutions/pharmacy</a>
OmniSYS*	<a href="https://www.omnisys.com">https://www.omnisys.com</a>
TransactRx	<a href="http://www.transactrx.com">http://www.transactrx.com</a>
Electronic Billing Services (EBS)	<a href="http://www.ebsservice.com">http://www.ebsservice.com</a>
EZ DME	<a href="http://www.fdsrx.com/ez-dme">http://www.fdsrx.com/ez-dme</a>

\*OmniSYS provides a discount for Health Mart pharmacies

### Billing directly with your Medicare Administrative Contractor

Some pharmacies can bill directly through their MAC portal and complete real-time eligibility checks during the process.

[Contact your regional MAC](#) to confirm whether they allow direct pharmacy billing. Also, keep in mind that this method of billing does not exist in your pharmacy system workflow, and instead through a separate web portal.

To bill successfully through your MAC portal, you must educate yourself on the nuances of billing the administrative and product fees as separate claims for immunizations.

# References

<sup>i</sup> [https://www.cdc.gov/diabetes/pdfs/programs/stateandlocal/emerging\\_practices-dsme.pdf](https://www.cdc.gov/diabetes/pdfs/programs/stateandlocal/emerging_practices-dsme.pdf)

<sup>ii</sup> <https://nabp.pharmacy/programs/dmepos/dmepos-faqs/#exemption>

<sup>iii</sup> <https://nabp.pharmacy/programs/dmepos/dmepos-faqs/#exemption>

<sup>iv</sup> <https://www.cdc.gov/vaccines/schedules/downloads/adult/adult-combined-schedule.pdf>

<sup>v</sup> [https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/gr\\_immun\\_bill.pdf](https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/gr_immun_bill.pdf)

<sup>vi</sup> CMS, *MLN Matters*, SEO738.

<sup>vii</sup> CMS, *MLN Glucose Testing Supplies: Complying with Documentation and Coverage Requirements*, October 2010

<sup>viii</sup> CMS, *MLN Matters*, SEO738, p. 5

<sup>ix</sup> CMS, *MLN Matters*, SEO738, p. 5



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## McKESSON

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