Time out: Encourage compliance with a stay of enrollment review

Use Medicare’s new “stay of enrollment” rule to warn your staff: CMS’ easier option for non-compliance is still hard on the practice’s finances.

The new option could also be called a stay of revenue because it will cut off your Medicare payments for up to 60 days and result in a penalty such as deactivation or revocation of enrollment if you don’t fix the problem before the stay expires.

Understand the basics of a stay

The stay of enrollment is a new tool that CMS can use in response to minor slip-ups that put a practice out of compliance. If your practice or an enrolled member of your practice has a compliance issue that can be fixed by submitting certain enrollment forms, CMS might impose a stay, which will not affect your enrollment status (PBN 7/24/23). CMS describes the stay as an “action that’s less burdensome on providers and suppliers than a deactivation or revocation of your Medicare enrollment,” in CMS 100-08, Change Request 13449.

The details of the stay also highlight how serious CMS is about using enrollment compliance to control who does — and does not — receive payment. The stay allows CMS to protect Medicare funds by withholding payments to providers who fall out of compliance, without subjecting you — and Medicare administrative contractors (MAC) — to the burdens associated with re-enrolling.

Before it considers imposing a stay, CMS will apply a two-part test to the situation:

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1. Are you non-compliant with at least one enrollment requirement?

2. Can you fix the problem by submitting the applicable CMS form (ACF)?
   - Form CMS-855 (Medicare enrollment application).
   - Form CMS-20134 (Medicare enrollment application for Medicare diabetes prevention program (MDPP) suppliers).
   - Form CMS-588 (Electronic Funds Transfer authorization agreement).

When the answer to both questions is yes, CMS could decide to impose a stay of enrollment that lasts up to 60 days, rather than a penalty, such as deactivation or revocation of your enrollment, which would require you to re-enroll in the program.

CMS gives examples of problems that would meet the test in the change request, including a provider who fails to “report a change in its address from 10 Smith Street to 20 Smith Street,” and a physician who doesn’t “report a change in his/her practice location’s ZIP code,” in a timely manner.

If CMS places your practice or a provider who works at your practice in the stay of enrollment timeout corner, the stay will begin on the date of the postmark on the notification letter, which will also tell you how to get back in compliance.

A stay can last up to 60 days; CMS can impose a shorter stay and can impose more than one stay if a provider has multiple compliance issues that qualify for a stay. The agency will determine the length of a stay for each issue of non-compliance. In addition, CMS will not extend a stay beyond the 60-day limit, Andrew Wake, attorney at law with Parsons Behle & Latimer in Boise, Idaho, explains.

Watch for common compliance flaws

While there are a wide range of ways enrolled providers can fall out of compliance that are covered by the new rule, you should be alert to enrollment mistakes that medical practices regularly make.

“The most common items that can trigger a stay of enrollment are changes to ownership/managing control or a change of address that are not reported to Medicare,” says Jessica Hoge, director of operations for nCred, a physician credentialing company based in Chattanooga, Tenn.

“To avoid issues, it is important for practices to regularly review their Medicare enrollment record to verify all information is current. I recommend setting up an annual review process to confirm all information on the Medicare record is accurate.” Hoge says.

No pay during a stay

During a stay of enrollment, your MAC will reject claims for any services performed during the pause. Pay will pick up again if you “resume compliance” by fixing the problem that triggered the stay, but you must do it before the stay expires.

Consider an example from the change request that shows the importance of a rapid response to a stay of enrollment:

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