

# PUBLICATION

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## Site Verifications – Would Your Practice Location Pass?

July 19, 2010

**As part of the overhaul of the enrollment rules in June 2006, CMS adopted new regulations under 42 C.F.R. § 424.510(d)(8) authorizing on-site reviews to determine if an enrolled provider or supplier is "operational" to furnish Medicare covered items or services and whether or not the provider or supplier is in compliance with the Medicare enrollment requirements. These site verifications are in addition to on-site surveys performed for determining compliance with the conditions of participation for Medicare-certified providers and suppliers.**

On-site visits were believed, by CMS, to be the only method to ensure providers and suppliers actually exist and meet the requirements to participate in the Medicare program. CMS was particularly concerned about enrolled entities that are not subject to licensure or state regulation. For these reasons, CMS adopted these new regulations to integrate site visits as part of the enrollment validation process and general program oversight activities. The site verification process, however, does not simply identify the sham operations where no business is operating *but affects legitimate* providers and suppliers that have been in compliance with the enrollment rules.

Sections 22.1 and 22.2 of Chapter 10 of the Medicare Program Integrity Manual ("MPIM") set forth the requirements for conducting these unannounced site verifications. In particular, CMS instructs that:

Site verifications should be done Monday through Friday (excluding holidays) during their posted business hours. If there are no hours posted, the site verification should occur between 9 a.m. and 5 p.m. If during the first attempt, there are obvious signs that facility is no longer operational no second attempt is required. If, on the first attempt the facility is closed but there are no obvious indications the facility is non-operational, a second attempt on a different day during posted hours of operation should be made.

Even providers and suppliers *that are fully compliant* with the enrollment rules are at risk for revocation of billing privileges for failing to pass an on-site visit. The site inspector may not be able to locate the provider or supplier due to the lack of outside signage, the business may not be open at the time of the site verification, or the inspector may have gone to the wrong address due to the failure of Medicare enrollment contractor to have a current and properly reported practice location address on file. For example, a site inspector may be unable to find a physician practice which is located within a nursing facility where the exterior signage only indicates the name of the nursing facility.

In each of the situations discussed above, CMS will likely determine that the provider or supplier is not operational. And, the date of the failed site verification becomes the effective date of the revocation, with CMS establishing a 2-year bar to re-enrollment for providers and suppliers that have billing privileges revoked due to not being "operational."

When the manual guidance was initially published, CMS required the Medicare contractor conducting the site visit to:

- Document the date and time of the attempted visit to include the name of the individual attempting the visit;

- As appropriate, photograph the provider or supplier's business for inclusion in the supplier's file on an as needed basis;
- Fully document observations made at the facility which could include facts such as; the facility was vacant and free of all furniture, a notice of eviction or similar documentation is posted at the facility, the space is now occupied by another company; and
- Write a report of their findings regarding each site inspection/ verification.

Perhaps CMS was prompted to modify the site verification process, at least in part, by concerns raised during appeals of revocations due to failed site verifications. Effective May 24, 2010, CMS issued [Transmittal 334 entitled "Update to Site Verification Process"](#) and revised the requirements related to documenting the site visit to include:

- A requirement that photographs should be date/time stamped.
- A requirement that the inspector sign a declaration stating the facts and verifying the completion of the site verification.

There are certain steps that providers and suppliers should take to try and avoid a revocation action based on an unsuccessful site verification visit:

- Confirm that current and complete information regarding each practice location is on file with the Medicare enrollment contractor.
- Timely report any changes related to any existing practice locations — change in address, hours of operation, telephone number, etc.
- Ensure that existing signage is accurate, including posted hours of operation especially if not open Monday – Friday between 9:00 a.m. and 5:00 p.m.
- Update enrollment data to include information that would be necessary to find the practice location. This is particularly important for practice locations in buildings that prohibit outside signage.
- Update enrollment data to include hours of operation if not open on a full-time basis. This is particularly important in a building that limits signage and hours of operation are not posted.