# Health Information Compliance Alert

## Information Systems: PECOS Has a 'Flaw' That May Prove Fatal to Your Practice

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While many practices that participate with Medicare are enthused about the opportunity to complete enrollment forms using the Internet-based Provider Enrollment,Chain, and Ownership System (PECOS), there is one big,little-known fact that is scaring the experts.

If you've grown accustomed to a designated credentialing specialist in your practice or at an outside consulting group filling out your credentialing forms for you, it's time to eliminate that practice.

Only the Physician Can Use PECOS

In a recent Open Door Forum about PECOS, CMS officials stated that only the doctor can apply for his Medicare approval electronically via PECOS. CMS advises that the provider personally complete the online application.

This means that the physician, even one in a large practice with a credentialing department, cannot designate another person to complete the application for him,explains **Barbara J. Cobuzzi, MBA, CPC,CENTC,CPC-H, CPC-P, CPC-I, CHCC,** president of CRN Healthcare Solutions, a coding and reimbursement consulting firm in Tinton Falls, N.J., and senior coder and auditor for The Coding Network. This even includes billing companies, she adds.

A designated representative of the practice can still enroll a physician in Medicare using the paper form (the CMS-855), but only the actual practitioners can apply for enrollment over the Internet via PECOS. CMS chalks this requirement up to a security issue.

During the Open Door Forum, CMS officials advised large practices and billing companies to continue to use the paper application process if someone other than physician is managing credentialing, Cobuzzi adds.

Being Caught Unaware Has a High Price

CMS' security policies state that a provider will be suspended from the Medicare program if CMS becomes aware that the provider shared his username or passwordwith anyone or the application was completed by anyone other than the provider.

"I believe CMS' policy of only providers utilizing this system has set up serious consequences for providers and their billers to unknowingly commit a crime by using the system," says **CyndeeWeston**, executive director of the American Medical Billing Association in Sulphur, Okla. "After talking with our association members, it was easy to see how an unknowing biller and their provider could jeopardize the provider's right to participate with Medicare."

Outside of the Open Door Forum, CMS has not publicly made it known that providers should not designate anyone to utilize the system on their behalf, the experts say. "I have tried hard to find any written documentation that CMS wants to limit the use of this system to only providers and can find nothing," laments Weston.

"This has not been made widely known; it slipped in pretty much unnoticed," agrees **Leslie Johnson, CPC,** coding supervisor for Duke University Health System and owner of the billing and coding Web site www.AskLeslie.net.

Example: Weston offers this example of how a practice may be adversely affected by this CMS policy. A provider has a

material change within his practice that requires a new 855 form to be submitted. The biller has read that she can now use the online PECOS process. The biller gets all the information together (as is normally done, even on paper) and goes online to make the change. She reads the rules - it says only providers can utilize the system. She infers that that includes her provider. So she makes the necessary changes. She downloads the certification statement. The provider signs it and the biller mails it in."

The problem: According to CMS, a provider cannot designate anyone to use the system for him, and only the provider himself can use this system. So, in this example,"the provider is certifying something that is not made clear to him - that only he can use this system, not his biller," Weston explains. "To the provider, his biller acting on his behalf through him is the same as him sitting there making those changes himself. He does not realize that he is submitting a false certification to CMS and is now facing jeopardizing his participation with CMS."

"Many physicians have become used to delegating the various parts of running the office to their managers - practice and/or billing," says Johnson. "Some have even outsourced the bulk of the administrative and financial parts to billing companies." Physicians often have the staff fill out documents which the physician then signs, she explains.

"Without the delegation, physicians now have to do this for themselves," Johnson says. "In a one- or two physician practice, it might not be such a terrible thing to do. In a hospital setting where there are several physicians per department [a faculty practice can have 400-1000 physicians or more], each physician trying to make sense of his own role within the hospital's financial arena and then within his own arena if he has outside interests - it can get confusing and maddening, but worse, it can be costly."

A sign of the future? "I believe that we are beginning to see more emphasis on physicians taking active participation in their own financial affairs and that it's important they do what they say that they're doing," Johnson stressed. "Ultimately, everything that a coder/biller sends out of the office is the physician's responsibility - and it all starts with the credentialing process and ends with the signature on the claims."