FACT SHEET
April 1, 2019

Contact: CMS Media Relations
(202) 690-6145 CMS Media Inquiries

Claim Rejection and Denials for Providers on the Preclusion List to begin on April 1, 2019

Summary

Effective April 1, 2019, Medicare Advantage (MA) and Part D plans will begin rejecting or denying claims submitted for payment for Part D drugs and MA services and items prescribed or furnished by an individual or entity on the Preclusion List. This effort supports CMS' commitment to safeguarding patients and taxpayer funding.

Background

- In April 2018, CMS finalized CMS-4182-F, (Contract Year 2019 Policy and Technical Changes to the Medicare Advantage, Medicare Cost Plan, Medicare Fee-for-Service, the Medicare Prescription Drug Benefit Programs, and the PACE Program), which rescinded the enrollment requirements for Medicare Advantage (MA) and Part D providers and prescribers and replaced it with the Preclusion List.
- The Preclusion List consists of individuals and entities that fall within either of the following categories:

    1. Are currently revoked from Medicare, are under an active reenrollment bar, and CMS determines that the underlying conduct that led to the revocation is detrimental to the best interests of the Medicare program; or
    2. Have engaged in behavior for which CMS could have revoked the individual or entity to the extent applicable if they had been enrolled in Medicare, and CMS determines that the underlying conduct that would have led to the revocation is detrimental to the best interests of the Medicare program.

- Prior to being added to a Preclusion List, providers and prescribers are notified by CMS of their potential inclusion on the Preclusion List and their applicable appeal rights. CMS will add a provider or prescriber to the Preclusion List only if the provider's or prescriber's appeal is deniedat the first level or the timeframe for the provider or prescriber to request a first level appeal has been exhausted.
- CMS has made the Preclusion List available to the MA plans and Part D plans. MA plans will be required to deny payment for a health care item or service furnished by an individual or entity on the Preclusion List. Part D plans will be required to reject a pharmacy claim (or deny a beneficiary request for reimbursement) for a Part D drug that is prescribed by an individual on the Preclusion List.
- These efforts are essential to protect patients and people with Medicare benefits who may not be aware their provider is precluded from billing Medicare for services.
- MA plans and Part D plans will have 30 days to review the Preclusion List and notify the impacted beneficiaries. Impacted beneficiaries are required to be given at least 60 days' advance notice before claims begin to reject or deny.

- The first list of precluded providers was made available to the MA plans and Part D plans on December 31, 2018. Approximately 1,300 providers and prescribers appeared on the initial Preclusion List. CMS suggests that payment denials and claim rejections begin on April 1, 2019 for the December 31, 2018 Preclusion List.
- Updates to the Preclusion List will be made available approximately every 30 days, around the first business day of each month. MA plans and Part D plans will follow the same process for monthly updates to the Preclusion List as they did for the initial list (i.e., 90 day timeframe for review of the list and beneficiary notification).

Additional Information

- For more information on the Preclusion List refer to https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/PreclusionList.html.
- Any questions regarding the Preclusion List can be directed to providerenrollment@cms.hhs.gov.