

**NCPA Summary and Timeline of CMS Implementation of  
Pharmacy Exemption for DME Accreditation  
June 28, 2010**

- To qualify for an exemption from accreditation, CMS will automatically send letters to pharmacies that are not accredited to sell DME, but have had a supplier number for 5 years, asking them to attest that their Medicare DMEPOS billings are less than 5% of total pharmacy sales. The timeline is below:
- September 30, 2010-Deadline by which the National Supplier Clearinghouse (NSC) must make a list of enrolled pharmacies, based on individually enrolled practice locations, which are not accredited and have been enrolled for 5 calendar years prior to January 1, 2011. **New locations of enrolled chain pharmacies shall not be considered to have been enrolled for 5 calendar years.**
- October 1, 2010 through October 31, 2010-NSC shall mail letters to individually enrolled pharmacy practice locations that meet the 5 year enrollment requirement for them to attest that they are exempt from accreditation because their total DMEPOS billings are less than 5% of their total pharmacy sales over the last three years. DMEPOS billings only include those items provided by a pharmacy that are subject to accreditation.
  - The attestation letter must be signed by the pharmacy's authorized/delegated official, as defined in the pharmacy's Medicare Enrollment Application and PECOS enrollment application.
  - Pharmacies must attest for each individually enrolled practice location.
  - **Pharmacies with a change in ownership in the last 5 years which resulted in a change in their legal business entity do not qualify for attestation exemption.**
  - NSC shall ensure that pharmacies with properly signed attestation letters be deemed exempt.
- January 1, 2011-Non-exempt pharmacies must begin submitting proof of accreditation as a condition of enrollment.
- January 10, 2011-Deadline by which NSC shall send notices of revocation to all enrolled pharmacies who are not accredited and do not meet the 5 year enrollment requirement, or who were sent an attestation letter and did not properly complete and return it.
- April 1, 2011-April 30, 2011-NSC shall compile a sample listing of at least 10% of the pharmacies that have submitted an NSC accepted attestation, including all who have a high fraud level indicator.
- NSC will mail audit letters to the 10% sample of pharmacies to determine if their accreditation exemption attestations are correct.
  - The letter will request submission of evidence supporting the attestation, including, at least, a certification by the pharmacy's accountant or tax returns filed during the relevant periods.
  - NSC shall determine the acceptability of the replies received, using DMEPOS billing data for only products and services requiring accreditation.
- June 30, 2011-NSC shall send a notice of revocation to all enrolled pharmacies that were sent an audit verification letter and did not submit satisfactory evidence of compliance with the accreditation exemption requirements.
- These procedures shall be followed for all succeeding years, but the change request is silent as to the deadlines for succeeding years.
- Further provider education information is available at <http://www.cms.hhs.gov/MLNMattersArticles/>