COMPLIANCE DEPARTMENT

SPECIALIZED COMPLIANCE ALERT

Date: April 24, 2017

To: Membership Department and Independent Agents

Subject: AE-2017-002 Beneficiary Orientation Process about Durable Medical Equipment (DME)

The MCS Sales Representative and/or Independent Agents have the responsibility to provide to beneficiaries at the time of enrollment in a MCS Advantage Plan, with the Durable Medical Equipment Formulary (DME)

Durable Medical Equipment (DME) is defined as:

*Certain medical equipment that is ordered by your doctor for medical reasons. Durable medical equipment includes items such as oxygen equipment and supplies, wheelchairs, walkers, and hospital beds ordered by a provider for use in the home.*

What is Durable Medical Equipment Formulary?

A formulary is a list of covered items selected by MCS Classicare subject to a specific brand or manufacturer believed to be a necessary part of a quality treatment program.

MCS Classicare will cover the durable medical equipment items listed in the DME formulary as long as the item is **medically necessary**, the medical order is provided by an MCS Classicare network physician, and other plan rules are followed. The DME will be supplied by a contracted DME provider.

According to the requirements established by the Centers for Medicare and Medicaid (CMS) the sales presentations to Medicare beneficiaries must include a clear and complete explanation of the plan's benefits and rules. During the individual sales event, the MCS Sales Representative and/or Independent Agent must not engage in prohibited marketing activities, including but not limited to:

* Use marketing materials that have not been approved by MCS, or regulatory agencies
* Use materially inaccurate
* Misrepresent the plan with the purpose of mislead beneficiary
* Provide incorrect information about a plan benefit so that impacts the enrollee coverage
* Not completed or complete inappropriate manner the enrollment form and other enrollment documents which includes enrollment form and other attachments
* Provide unclear or incomplete presentation which can be confusing

The Durable Medical Equipment Formulary should be used as a reference guide when orienting the beneficiary about the MCS Classicare requirements concerning DME coverage.

If you have any doubts regarding with the interpretation of regulatory agencies communications, manuals or regulations, please contact our Compliance Department at: mcscompliance@medicalcardsystem.com

**References:**

**Medicare Managed Care Manual:**

Chapter 3 Medicare Marketing Guidelines

Chapter 4 Benefits and Beneficiary Protections; Section 10.12 – Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS)

**Regulatory Documents:**

Evidence of Coverage (EOC)

**MCS Policies and Procedures**:

CL-UTMAN-001 Transition of Durable Medical Equipment

CA-COMP-033 Proceso de Investigación de las alegaciones de ventas y mercadeo

CA-COMP-069 Proceso de Investigación de las alegaciones de venta para agentes independientes

INDSAL-010 Conduct of Individual Medicare Advantage Sales Representatives

IND-PSB-007 Conduct of Individual Medicare Advantage Sales – Independent Agents and Career Agents