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Press Release

Healthcare Bill's Pharmacy Exemption Requirements

All non-accredited pharmacies have until December 31, 2010 to apply for the Pharmacy Exemption.

April 26, 2010: Centers for Medicare and Medicaid Services (CMS) have been releasing information concerning the pharmacy exemption requirements. The 5% Pharmacy Exemption Rule has been widely advertised as a relief for independent pharmacies. However, it is not as simple as the press releases have made it sound. **Please remember, if you are accredited, no actions or decisions are needed, your accreditation is for three full years.**

If the pharmacy is accredited, the pharmacy exemption requirements **do NOT apply to you**. You have met the highest standard.

The pharmacy **does not qualify** for the Pharmacy Exemption if:

- The pharmacy's EIN is less than 5 years old
- DME sales are greater than 5% of the gross pharmacy sales
- The pharmacy is submitting or preparing to submit a bid for competitive bidding

To qualify for the exemption, the pharmacy **must complete** the following items **annually**

- DME sales must be less than 5% of gross pharmacy sales
 - The pharmacy must prepare detailed financial statements proving the DME sales are less than 5% of gross sales
 - The financial statements are submitted to CMS annually
 - Pharmacy computer systems do not segregate DME and pharmacy sales, unless the pharmacy operates separate systems
 - CPA costs can be significant to prepare the properly formatted reports
- The pharmacy must still meet all the requirements of the Medicare Standards of Services for Suppliers and the Medicare Quality Standards
 - This includes all policies and procedures, forms and patient files that must be maintained
- The exemption only excludes the actual accreditation survey

Additional items to be prepared for:

- Medicare Advantage programs will be eliminated. Proposed date is January 1, 2011
 - Medicare Advantage patients will move to standard Medicare
 - This move will increase the Medicare DME sales which will move many facilities over the 5% rule
- Medicaid roles will increase substantially because the Medicaid enrollment eligibility is being raised to \$29,327.00. This portion will become effective on January 1, 2014
- Most state Medicaid programs have instituted some form of requirement to have a Medicare Part B number and/or accreditation to have a Medicare number
- Each month the number of insurance companies requiring part or all of accreditation requirements increases