



Limitation on Recoupment of Overpayments

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- Revised

Related Change Request (CR) Number: [CR 11262](#)

Effective Date: December 11, 2023

Related CR Transmittal Number: **R12261FM**

Implementation Date: December 11, 2023

Related CR Title: Updating Overpayment Manual, Chapter 3, Sections 200.2.6-200.4.7,
Limitation on Recoupment

What's changed: We made no substantive changes to the Article other than to update the web address of the CR transmittal.

Affected Providers

- Physicians
- Hospitals
- Suppliers
- Other providers billing Medicare Administrative Contractors (MACs) for services they provide to Medicare patients

Action Needed

Make sure your staff knows about how:

- Medicare recoups overpayments
- Appeals and reconsiderations affect these recoupments

Background

Section 1893(f)(2)(a) of the [Social Security Act](#) prohibits recouping Medicare overpayments from a provider or supplier that seeks a reconsideration from a Qualified Independent Contractor (QIC). These statutes and a related final rule provide for:

- Changing the payment method for interest payments to a provider or supplier when subsequent administrative or judicial levels of appeal reverse the overpayment
- Defining the overpayments to which the limitation applies, how the limitation works in concert with the appeals process, and the change in the CMS obligation to pay interest to a provider or supplier whose appeal is successful at levels above the QIC

- Limiting recoupment of Medicare overpayments when you seek a redetermination until Medicare renders a redetermination decision

The statute requires us to change the way we recoup certain overpayments. The limitations on the recoupment of Medicare overpayments are during the first and second levels of appeal only. You may, during this time period, request an extended repayment schedule (ERS), or elect to have Medicare collect the overpayment immediately.

However, after the provider completes the first 2 levels of appeal, MACs will resume recoupment and normal debt collection processes. Unless you establish an ERS, your MAC must initiate or resume recoupment at 100% after the second level of appeal regardless of any subsequent appeals the provider files such as the third level, the Administrative Law Judge, or subsequent levels, Department Appeals Board or Federal Court. The MAC will continue to recoup at 100% until the debt is satisfied in full.

Part of CR 11262 is a revision to the Medicare Financial Management Manual. This Article summarizes these changes, which are:

- [Section 200.2.6](#) contains information about the ERS and appealing an overpayment subject to the limitation on recoupment
- [Section 200.3.1](#) discusses details after a favorable, whether full or partial, or unfavorable redetermination decision
- [Section 200.4](#) lists the actions a Qualified Independent Contractor (QIC) and your MAC will take upon getting a validated reconsideration request

More Information

We issued CR 11262 to your MAC as the official instruction for this change.

See the [Medicare Overpayments](#) fact sheet. For more information, [find your MAC's website](#).

Document History

Date of Change	Description
September 25, 2023	We made no substantive changes to the Article other than to update the web address of the CR transmittal.
September 12, 2023	Initial article released.

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