



Related MLN Matters Article #: MM2951

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Related CR #: 2951

### *Financial Management Manual: Section 420 – Procedures for Re-issuance and Stale Dating of Medicare Checks*

#### Key Words

MM2951, CR2951, R49FM, 42 CFR 424.352, Updates, Financial, Management, Manual, Reissuing, Check, Stale, Dated, Outstanding, Fiscal, Intermediary, Carrier, Tasks

#### Provider Types Affected

Physicians, suppliers, and providers

#### Key Points

- The effective date for this instruction is August 16, 2004.
- The implementation date is August 16, 2004.
- This instruction updates the Medicare Financial Management Manual (Pub. 100-06) and incorporates Change Request (CR) 1364 (Transmittal AB-01-122, September 10, 2001) regarding the CMS procedures for re-issuing and stale dating of Medicare checks which expired in September 2002.
- All Medicare contractors must re-issue checks in accordance with 42 CFR 424.352.
- Regulation 42 CFR 424.352 requires that a Medicare fiscal intermediary or carrier perform certain tasks upon notification by a payee that a check has been lost, stolen, defaced, mutilated, destroyed, or paid on forged endorsements.
- This list of tasks may be found on pages 2 and 3 of MLN Matters article MM 2951.
- 42 CFR 424.352 applies *only* to checks that have been lost, stolen, defaced, mutilated, destroyed, or paid on a forged endorsement.
- Medicare checks that are in the physical possession of the payee, have not been defaced or mutilated, and have not been negotiated are not subject to the 1 year time limit for re-issuance of 42 CFR 424.352 (d). CR2951 specifies conditions when these checks may be re-issued.
- Outstanding checks are checks that have been issued as payment for Medicare benefits and have not been presented for payment to a financial institution and subsequently drawn from the Medicare trust fund.

- Stale dated checks are checks that have reached a specific age from date of issue (e.g., one year from the date of issuance) and have not been presented for payment to a financial institution and subsequently drawn from the Medicare trust funds.
- In the event that a Medicare contractor must stale date checks in less than 1 year (due to State or local banking regulations), that Medicare contractor must recognize and report the value of these checks as an Other Liability-Other until 1 year from the date of issue since the payee has the right to reclaim the funds.

## Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM2951.pdf> on the CMS website.

The official instruction (CR2951) regarding this change may be viewed at

<http://www.cms.hhs.gov/Transmittals/downloads/R49FM.pdf> on the CMS website.

If providers have any questions, they may contact their fiscal intermediary (FI) or carrier at their toll-free number, which may be found at

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.