



MLN Matters®



Information for Medicare Fee-For-Service Health Care Professionals

Related Change Request (CR) #: 3925

MLN Matters Number: MM3925

Related CR Release Date: July 29, 2005

Related CR Transmittal #: 620

Effective Date: Claims received on or after January 3, 2006

Implementation Date: January 3, 2006

New Fiscal Intermediary Edit to Identify Potentially Excessive Medicare Payments

Note: This article was updated on February 11, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

All hospitals, Skilled Nursing Facilities, Home Health Agencies, Religious Nonmedical Health Care Institutions, Rural Health Clinics, Renal Dialysis Facilities, Federally Qualified Health Centers, Outpatient Rehabilitation Facilities, Comprehensive Outpatient Rehabilitation Facilities, Community Mental Health Centers, Hospice Providers, and Non-OPPS Hospitals Ambulatory Surgery centers, who bill Medicare Fiscal Intermediaries (FIs), including Regional Home Health Intermediaries (RHHIs), for outpatient and inpatient Part B claims

Provider Action Needed



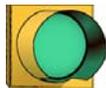
STOP – Impact to You

Providers must be certain to bill Types of Bills (TOB) 12X, 13X, 14X, 22X, 23X, 32X, 33X, 34X, 43X, 71X, 72X, 73X, 74X, 75X, 76X, 81X, 82X, 83X, 85X correctly as clerical errors resulting in excessive overpayments have been found in some of these claims.



CAUTION – What You Need to Know

The TOBs listed will be monitored and threshold edits installed to alert FIs and RHHIs of claims that meet or exceed a reimbursement amount of \$50,000 **on Part B claims**. Claims that reach the \$50,000 threshold will be suspended and intermediaries will contact providers to determine the legitimacy of the claim.



GO – What You Need to Do

Make certain that billing is accurate and when the FI determines that the threshold is reached legitimately the FI can override the edit and submit the claim for processing and payment.

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Background

The Centers for Medicare & Medicaid Services (CMS), in an effort to protect the Medicare Trust, shore up the billing system, and reduce overpayment reporting burdens on providers and beneficiaries, is taking a proactive stand to catch and identify clerical errors and eliminate overpayments before they occur. It was determined that most errors resulting in excessive overpayments are a result of simple clerical provider billing errors. For example, analysis shows that some providers inadvertently placed the date of service in the SERVICE UNITS field of a claim, thereby causing sizeable overpayments. Thus, Medicare will implement this edit so Part B inpatient and outpatient claims meeting or exceeding \$50,000 can be verified for accuracy.

If an intermediary does suspend a claim because it has reached the threshold edit of \$50,000 the intermediary will contact the provider and together the FI and provider can work to resolve the claim. If the intermediary determines that the reimbursement is excessive and claim corrections are needed the claim will be returned to the provider. If the intermediary determines that the billing is accurate the edit will be overridden and the claim will be processed.

Listed in the following table are the provider types and TOBs that are referenced in this article and whose claims are affected by the new edit.

Provider Type	Types of Bills
Hospitals	12X, 13X, 14X
Skilled Nursing Facilities	22X, 23X
Home Health Agencies	32X, 33X, 34X
Religious Nonmedical Health Care Institutions	43X
Rural Health Clinics	71X
Renal Dialysis Facilities	72X
Federally Qualified Health Centers	73X
Outpatient Rehabilitation Facilities	74X
Comprehensive Outpatient Rehabilitation Facilities	75X
Community Mental Health Centers	76X
Hospice Providers	81X, 82X
Non-OPPS Hospitals Ambulatory Surgery	83X
Critical Access Hospitals	85X

Additional Information

The official instruction issued to your intermediary regarding this change may be found by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R620CP.pdf> on the CMS website.

For additional information relating to this issue, please refer to your intermediary. To find their toll free phone numbers, go to <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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