

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



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MLN Matters® Number: MM8347

Related Change Request (CR) #: CR 8347

Related CR Release Date: August 2, 2013

Effective Date: September 3, 2013

Related CR Transmittal #: R224FM

Implementation Date: September 3, 2013

Revisions and Deletions to the Internet Only Manual, Publication 100-06, Chapter 3, Overpayment (Section 50.3); Chapter 4, Debt Collection (Section 50 - 50.6 and 100.6.4) Related to Extended Repayment Schedules (ERS)

Provider Types Affected

This MLN Matters® article is intended for all physicians, providers, and suppliers who bill Medicare contractors (carriers, Fiscal Intermediaries (FIs), Post Hospital Home Health (HHH), Regional Home Health Intermediaries (RHHIs), Medicare Administrative Contractors (A/B MACs), and Durable Medical Equipment MACs (DME MACs),) for services to Medicare beneficiaries.

Provider Action Needed

Change Request (CR) 8347 is a policy change that streamlines the Extended Repayment Schedules (ERS) process by updating the policy language and standard practices. See the Key Points section of this article for specifics.

Background

Overpayments are Medicare payments to a provider that are in excess of amounts due and payable under the statute and regulations. When an overpayment is determined, a demand letter is sent

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requesting repayment. A provider is expected to repay any overpayment promptly. If repaying an overpayment within 30 days would constitute a “hardship” for the provider, the provider may request an ERS at any time the overpayment is outstanding. Medicare Contractors and/or Centers for Medicare & Medicaid Services (CMS) staff will review the request to determine if extending a repayment schedule is justified.

Key Points

The following points are based on the revised manual, “Medicare Financial Management,” Chapter 4—Debt Collection.

- Medicare contractors are charged with establishing an ERS formerly called an Extended Repayment Plan (ERP). Contractors must process ERS requests within 30 days of receipt and make certain providers complete all instructions. Contractors are required to post information and instructions on their websites and supply paper copies if requested.
- Your Medicare contractor will approve/disapprove an ERS request from 6 months up to 36 months and the CMS for an ERS up to 60 months—again within 30 days of receipt.
- Your Medicare contractor will not refund monies recouped during the review process. The recouped amounts will be applied to the overpayment.
- Contractors will notify a provider of approval or no approval within 5 days of decision.
- Contractors will recoup ERS payments from a provider’s future Medicare payment, unless the contractor determines there is a valid reason to send in a check.
- Chapter 4, Section 100.6.4 details the ERS process that occurs if a request is received by the Recovery Audit Contractor (RAC) from a provider. The point of contact information for the ERS at the RAC location will be provided in a separate instruction.

Additional Information

The official instruction, CR8347 issued to your Medicare contractor regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R224FM.pdf> on the CMS website.

You may review CR7688 for an explanation of the policy that implements a standard “immediate recoupment” process that gives providers the option to avoid interest from accruing on claims overpayments when the debt is recouped in full prior to or by the 30th day from the initial demand letter date at: <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM7688.pdf> on the CMS website.

If you have any questions, please contact your Medicare contractor at their toll-free number, which may be found at <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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