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Information for Medicare Fee-For-Service Health Care Professionals

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Medicare Termination of Beneficiaries With End Stage Renal Disease - Overpayment Instructions to Contractors

Note: This article was updated on April 5, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

Physicians, suppliers, and providers

Provider Action Needed

Physicians, suppliers, and providers should note that this instruction provides information to Medicare intermediaries, including regional home health intermediaries, on handling overpayment issues related to End Stage Renal Disease (ESRD) beneficiaries whose Medicare Part A coverage should have ended prior to December 1999.

It also tells these intermediaries what to do if another third-party payer has voluntarily made or voluntarily makes a primary payment to the individual or entity when Medicare also paid for the services.

Background

Entitlement for individuals with End Stage Renal Disease (ESRD) is governed under the Social Security Act (Section 226A). In addition, under the Social Security Act (Section 226A(b)(2)), Medicare Part A benefits based on ESRD will be terminated:

- Thirty-six (36) months after the month the individual receives a kidney transplant; or
- Twelve (12) months after the month in which the individual who has not received a kidney transplant no longer requires a regular course of dialysis.

However, when Part A entitlement is not terminated in a timely manner, the Social Security Act (Section 1837(h)) permits Part A entitlement to extend up through the month the individual is notified that Part A coverage has been terminated.

Disclaimer

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Generally, this means that no attempt will be made to recover any payments that Medicare previously made for covered items and services. However, Medicare payments should be accepted in instances where another third-party payer has voluntarily made or voluntarily makes a primary payment for the items and services to the individual or other entity that Medicare paid, if the third party payer voluntarily repays Medicare its primary payment.

In November 2003 the Social Security Administration (SSA) terminated the Medicare coverage of these individuals (approximately 8,000) for Part A services and issued a notice to each beneficiary.

The notice provides the date(s) that Medicare coverage ends and gives the beneficiary the right to file an appeal. Also, neither beneficiaries nor providers are being held financially liable for items and services received prior to the formal notice of Medicare termination to the extent that another third party payer has not voluntarily made or does not voluntarily make a primary payment for any items and services.

Medicare intermediaries have been instructed not to issue demand letters or recoup Part A payments made to fee-for-service providers who have received payments on behalf of these individuals. The period for not issuing the demand letters or recouping Part A payments is the period on or after the date of Part A termination up to the final notice of termination of coverage from the Social Security Administration, which is November 2003.

In addition, Medicare intermediaries shall not reopen any cost reports or claims paid for recouping these payments for services made to fee-for-service providers for these beneficiaries during the timeframes defined in the preceding paragraph.

This instruction relates to this subset of beneficiaries only and does not revise Medicare policy.

Additional Information

The official instruction issued to your carrier regarding this change may be found by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R13GI.pdf> on the CMS website.

If you have any questions, please contact your intermediary 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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