

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



MLN Matters® Number: MM7436 **Revised**

Related Change Request (CR) #: 7436

Related CR Release Date: January 6, 2012

Effective Date: January 1, 2012

Related CR Transmittal #: R202FM

Implementation Date: January 3, 2012

Recovery Audit Program: Medicare Administrative Contractor (MAC)-issued Demand Letters

Note: This article was updated on August 20, 2012, to reflect current Web addresses. It was previously revised on January 9, 2012, to reflect the revised CR7436 issued on January 6, 2012. In the article, the CR release date, transmittal number, and the Web address for accessing CR7436 were revised. All other information is the same.

Provider Types Affected

This article is for all physicians, providers, and suppliers who bill Medicare claims processing contractors (Carriers, Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and Medicare Administrative Contractors (MACs)).

Provider Action Needed



STOP – Impact to You

This article is based on Change Request (CR) 7436 which announces that Medicare's Recovery Auditors will no longer issue demand letters to you as of January 3, 2012.

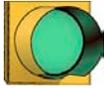


CAUTION – What You Need to Know

Recovery Auditors will, however, submit claim adjustments to your Medicare contractor, who will perform the adjustments based on the Recovery Auditor's review, and issue an automated demand letter to you.

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GO – What You Need to Do

See the Background and Additional Information Sections of this article for further details regarding these changes.

Background

As of January 3, 2012, the Centers for Medicare & Medicaid Services (CMS) is transferring the responsibility for issuing demand letters to providers from its Recovery Auditors to its claims processing contractors. This change was made to avoid any delays in demand letter issuance. As a result, when a Recovery Auditor finds that improper payments have been made to you, they will submit claim adjustments to your Medicare (claims processing) contractor. Your Medicare contractor will then establish receivables and issue automated demand letters for any Recovery Auditor identified overpayment. The Medicare contractor will follow the same process as is used to recover any other overpayment from you.

The Medicare contractor will then be responsible for fielding any administrative concerns you may have such as timeframes for payment recovery and the appeals process. However, the Medicare contractor will include the name of the initiating Recovery Auditor and his/her contact information in the related demand letter. You should contact that Recovery Auditor for any audit specific questions, such as their rationale for identifying the potential improper payment.

Additional Information

If you have 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 Centers for Medicare & Medicaid Services (CMS) website.

To see the official instruction (CR7436) issued to your Medicare contractor, see <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R202FM.pdf> on the CMS website.

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