

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



MLN Matters® Number: MM9168 **Revised** Related Change Request (CR) #: CR 9168

Related CR Release Date: March 24, 2016 Effective Date: July 1, 2016

Related CR Transmittal #: R1639OTN Implementation Date: July 5, 2016

Reporting Principal and Interest Amounts When Refunding Previously Recouped Money on the Remittance Advice (RA)

Note: This article was revised on April 19, 2016, to reflect the revised CR9168 issued on March 24. In the article, the CR release date, transmittal number, and the Web address for accessing the CR are revised. All other information remains the same.

Provider Types Affected

This MLN Matters® Article is intended for physicians, providers, and suppliers who submit claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

Provider Action Needed

Change Request (CR) 9168 explains to providers who received a favorable appeals decision that it will be easier and consequently more transparent to identify the claim and/or the refund of principal and interest paid by Medicare. Your MAC will make sure that the remittance advices are reporting the refunded principal and interest amounts separately, and provide individual claim information. CR9168 applies to electronic remittance advice (ERA) only.

Background

Currently reporting of refunded principal and interest amounts for all related claims on the Remittance Advice (RA) is shown as one lump sum amount. This practice creates problems for the provider community as this is not conducive to posting payment

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properly. Providers have the money but are not able to identify the claim and/or the refund of principal and interest paid by Medicare.

CR9168 instructs MACs to report the principal and interest separately, and also to provide individual claim information. Specifically, the reporting will be in the Provider Level Balance (PLB) segment of the 835 with an example as follows:

PLB Details - Reporting Principal Refunds

PLB03-1: WW to report overpayment recovery (negative sign for the amount in PLB04) being refunded

PLB03-2 Positions 1 – 25: Account Payable (AP) Invoice Number

PLB03-2 Positions 26 – 50: Claim Adjustment Account Receivable (AR) number

PLB 04: Refund Amount (Principal Refund Amount)

PLB Details - Reporting Interest Refunds

PLB03-1: RU to report interest paid (negative sign for the amount in PLB04)

PLB03-2 Positions 1 – 25: AP Invoice Number

PLB03-2 Positions 26 – 50: Claim Adjustment AR number

PLB04: Interest Amount on Refund

Additional Information

The official instruction, CR 9168 issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1639OTN.pdf> on the Centers for Medicare & Medicaid Services website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html> under - How Does It Work.

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