
Program Memorandum Intermediaries

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal A-01-26

Date: FEBRUARY 21, 2001

CHANGE REQUEST 1579

SUBJECT: Clarification of Exclusions to the Temporary 2-Month Extension of Periodic Interim Payments (PIP) For Home Health Providers

This Program Memorandum (PM) is a clarification of PM A-01-03 dated January 12, 2001, Change Request 1437. Specifically, the clarification is to item 2, which states:

2. The agency is not receiving payments, pursuant to §405.371 of Title 42, Code of Federal Regulations (§405.371 authorizes 100 percent suspension or recoupment of payments under certain circumstances);

We have discovered some instances in which a home health agency (HHA) and the contractor have mutually agreed to have the contractor withhold current payments to the HHA in order to repay a recent overpayment. In these cases, the 100 percent offset that may result is not the type of offset or recoupment described in 42 CFR §405.371 because the HHA has voluntarily agreed to repay any overpayments. HHAs falling in this category should receive the PIP contemplated by Budget Improvement Protection Act (BIPA) of 2000. Similarly, if an HHA volunteered to repay an overpayment amount in full prior to January 31, 2001, the HHA should receive the PIP contemplated by BIPA.

In the situations described by the first and last sentences of the preceding paragraph, contractors should make the one-time PIP first by applying it to the debt (or installment that may be due or overdue) in accordance with the agreed repayment arrangement to the extent the debt still exists at the time of the PIP, and then by issuing the balance to the HHA, if any of the PIP remains. Contractors should count the entire one-time PIP as a payment for purposes of cost report settlement, and inform the HHA that part of or all of its PIP has been applied to reduce or eliminate the recent debt. Send a separate notice that the debt has been reduced or eliminated.

The effective date for this PM is December 21, 2000.

The implementation date for this PM is no later than February 28, 2001.

The instructions contained in this PM should be implemented within your current operating budget.

This PM may be discarded after February 21, 2002.

If you have any administrative questions, contact David Goldberg (410-786-4512).