

Recovery Audit Contractor Audits and Providers Receiving Periodic Interim Payments (PIP)

Frequently Asked Questions

1. What is PIP?

Periodic Interim Payments (PIP) are biweekly payments made to a Provider enrolled in the PIP program, and are based on the hospital's estimate of applicable Medicare reimbursement for the current cost report period. Further details may be found at 42 CFR 413.64(h).

2. Are claims audits from PIP providers different from other RAC claim audits?

Improperly paid claims audited from a PIP provider do not differ from any other RAC audit. The claim identified as improperly paid would be shared with the claim processing contractor and adjusted as appropriate.

3. How would money be recouped from a PIP provider?

If the cost report for the fiscal year in which the claim was paid has not had a final settlement completed, a Remittance Advice (R/A) will be sent to the provider once an improperly paid claim is adjusted. No further action would be necessary and a demand letter would not be issued. The improper payment will be appropriately identified in the next Provider Statistical and Reimbursement Report (PS&R), and will be reconciled at final settlement of the cost report.

4. What happens if the Cost Report for the fiscal year in which the claim was paid has had a final settlement?

If a final settlement has already been completed for the provider, the provider will receive a demand letter from the RAC. The demand letter will be issued after the claim is adjusted.

5. What is the appeal process for PIP providers?

Please see the Remittance Advice (R/A) for any applicable appeal rights or contact the appropriate claim processing contractor for any appeal rights and when they begin.

6. Is there a discussion period with the RAC?

Yes. The discussion period begins once the review results letter is received.

7. Are there timeframes for a RAC review?

A RAC has 60 days from receipt of the additional documentation to issue a written determination on the review.

8. What steps should PIP providers take to return an overpayment?

Please contact the appropriate claims processing contractor to return an overpayment.

9. Can an appeal be initiated without a demand letter?

As of November 8, 2010

These FAQs are meant to provide guidance and are not new instruction or all inclusive. These answers are subject to change.

Yes, an appeal can be initiated upon receipt of the remittance advice.

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