CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 2421	**Date: January 16, 2020**
	Change Request 10787

Transmittal 2388, dated November 8, 2019, is being rescinded and replaced by Transmittal 2421 dated, January 16, 2020, to remove the Spanish translation verbiage in Business Requirement (BR) 10787.4 and add verbiage for a provider demand letter (BR 10787.6). All other information remains the same.

SUBJECT: User Change Request (CR) - Adjustment Reason Code to Identify Office of the Inspector General (OIG) Initiated Overpayments and Healthcare Integrated General Ledger Accounting System (HIGLAS) Demand Letter Verbiage

I. SUMMARY OF CHANGES: The OIG conducts audits of paid Medicare claims and issues instructions to the Medicare Administrative Contractors (MACs) to recoup payments for claims deemed to have been paid in error. This change request would create new adjustment reason codes and discovery codes to utilize on OIG adjustments. The adjustment reason code is utilized by HIGLAS to identify the source of an overpayment. The new adjustment reason/discovery code should trigger language on the HIGLAS demand letter to the debtor that identifies the overpayment is the result of an OIG finding.

EFFECTIVE DATE: April 1, 2020
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: April 6, 2020

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

III. FUNDING:
For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One Time Notification

Attachment - One-Time Notification

Pub. 100-20	Transmittal: 2421	Date: January 16, 2020	Change Request: 10787

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I. GENERAL INFORMATION

A. Background: The OIG conducts audits of paid Medicare claims and issues instructions to the Medicare Administrative Contractors (MACs) to recoup payments for claims deemed to be paid in error. The MAC initiates the adjustment to recoup the payment and processes it to HIGLAS where the accounts receivable is established. The Shared Systems use the adjustment reason code and/or discovery code on the claim to communicate the source of the overpayment to HIGLAS so that any special processing can be applied.

Currently, there is not an adjustment reason code specifically for adjustments resulting from an OIG finding. The adjustments create an Account Receivable (AR) in HIGLAS that does not show that the OIG discovered the collection of the overpayment. Demand letters generated by HIGLAS do not contain verbiage referring to the OIG finding of an overpayment. The demand letters do not properly inform the debtor of the reason for the payment recoupment.

The MACs use a report generated by HIGLAS to track the status of the ARs generated by the OIG adjustments. The report does not specifically identify the OIG requested ARs without some manipulation by the MAC. This creates additional work for the MAC to report status of collections activities or respond to OIG inquiries.

The Railroad Retirement Board (RRB) will not be included in this CR and will not be able to use the new OIG specific codes.

B. Policy: This CR is an enhancement and does not impact existing policy.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
10787.1	Medicare contractors shall make table/file updates to create a new adjustment reason code for overpayments identified by the OIG. 32 - OIG - Overpayment Identified during an Office Of The Inspector General Audit	X	X	X						HIGLAS
10787.1.1	Contractors shall use discovery code 'I' with the adjustment reason code '32'.		X							
10787.1.2	The Fiscal Intermediary Shared System (FISS) shall modify all reason codes that validate the adjustment reason codes to allow '32'.					X				
10787.1.3	HIGLAS shall map the OIG identified overpayments to existing Part A transaction types for FISS adjustment reason code '32'. APROV-CLA (Non-935 overpayment) APROV-CLA-935 (935 overpayment) ABENE-CLA (Beneficiary 935 overpayment)									HIGLAS
10787.2	Medicare contractors shall map the combination of reason code/discovery code in the ViPS Medicare System (VMS) to identify overpayments identified by the OIG. The mapped values for each contract are: JA & JD – ‘:K’, ‘:D’ JB & JC – ‘:5’ The description for the new reason code/discovery code combinations is 'OIG - Overpayment Identified during an Office Of The Inspector General Audit’.				X					
10787.2.1	HIGLAS shall map the combination Reason Code/Discovery Code ‘:K’, ‘:D’, ‘:5’ to HIGLAS Reason Code ‘17’.									HIGLAS
10787.3	Medicare contractors shall use the following wording for the 'Reason for Overpayment' in the provider demand letter enclosure for the new reason code '32': “During one of its audits, the Office of the Inspector General identified a claim(s) for which you were									HIGLAS

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	overpaid.”									
10787.3.1	Medicare contractors shall use the following wording for the 'Reason for Overpayment' in the beneficiary demand letter enclosure for the new Reason Code '32': "The claim was processed incorrectly causing an overpayment to be made." Spanish Translation: "La reclamación fue procesada incorrectamente ocasionando un pago en exceso."									HIGLAS
10787.4	Medicare contractors shall use the following wording for the 'Reason for Overpayment' in the beneficiary demand letter enclosure for the VMS Reason/Discovery Code ‘:K’, ‘:D’, ‘:5’ /HIGLAS Reason Code '17': "The claim was processed incorrectly causing an overpayment to be made."				X					HIGLAS
10787.5	Medicare contractors shall use the new adjustment reason code or discovery/reason code combination for all new OIG initiated adjustments created on or after April 6, 2020.	X	X	X	X					
10787.6	Medicare contractors shall use the following wording for the 'Reason for Overpayment' in the provider demand letter enclosure for the VMS Reason/Discovery Code ‘:K’, ‘:D’, ‘:5’ /HIGLAS Reason Code '17': “During one of its audits, the Office of the Inspector General identified a claim(s) for which you were overpaid.”				X					HIGLAS

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Rita Hazlip, Rita.Hazlip@cms.hhs.gov , Stacey Ndelle, 410-786-8208 or Stacey.Ndelle@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
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ATTACHMENTS: 0