



935 Recoupment Part B

September 15, 2011



Proprietary and Confidential

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Presented By



First Coast Service Options, Inc.
Provider Outreach & Education

Deborah Moore
Provider Relations Representative

1

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Disclaimer



This presentation was prepared by FCSO for informational and educational purposes only; it is not legal advice or a legal document, and should not be relied upon. The presentation serves as a general summary of complex rules and regulations which may change; the presentation is not guaranteed to be complete, correct, timely or current, and FCSO bears no responsibility or liability for the results or consequences of the use or reliance on the information in this presentation. No portion or element of this presentation may be copied, in whole or in part, for profit-making purposes without the express written consent of FCSO.

2

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Acronym List



- ADR – Additional Development Request
- ALJ – Administrative Law Judge
- CERT – Comprehensive Error Rate Testing
- DCN – Document Control Number
- FCSO – First Coast Service Options
- ICN – Internal Control Number
- MSP – Medicare Secondary Payer
- RAC – Recovery Audit Contractor
- MAC – Medicare Administrative Contractor
- MR – Medical Review
- MCS – Multi-carrier System
- RA – Remittance Advice

3

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Agenda Items



- Overpayment
- Limitation on recoupment
- Demand letter
- Rebuttal process
- Recoupment process
- Appeal process
- Change request 6870
- Remittance Advice Example
- Resources
- Class exercise
- Question & Answer

4

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Learning Objectives



- **At the conclusion of this session, you will be able to:**
 - Explain the purpose of limitation on recoupment process
 - Define the overpayment process
 - List the requirements of a demand letter
 - Initiate a rebuttal
 - State and explain the recoupment process
 - Identify the levels of the appeals process
 - Locate instructions for changes to remittance advice
 - Access additional resources

5

WHEN EXPERIENCE COUNTS & QUALITY MATTERS



Overpayments

6

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Overpayment Defined

- Overpayments are Medicare payments a provider or beneficiary in excess of the amount due and payable under the statute and regulations

7

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Limitation on Recoupment (935)

8

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

What is Recoupment?

- Recoupment is the act of recovery by a Medicare contractor of any outstanding Medicare debt by:
 - Reducing present or future Medicare remittance advice payments
 - Applying the amount withheld to the debt.
- It applies to the recovery of funds for all Medicare Part A & B claims for which a demand letter is issued.

9

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Change Request (CR) 6183



■ Limitation on Recoupment (935) for Providers, Physicians, and Suppliers Overpayment

- Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), Section 935
 - Added new paragraph (f) to section 1893 of the Act
- Changes to requirements for contractors
 - Recoupment of certain overpayments to providers, physicians and suppliers
 - Payment of interest to a provider, physician or supplier whose overpayment is reversed at subsequent administrative (Administrative Law Judge) or judicial levels of appeal

10

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Recoupment Limitations



■ Overpayments that are subject to limitation on recoupment

- MAC initiated adjustments related to post-payment review
- Medicare Secondary Payer (MSP)
 - Duplicate primary payment
 - Failure to file a proper claim with the third party payer

11

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

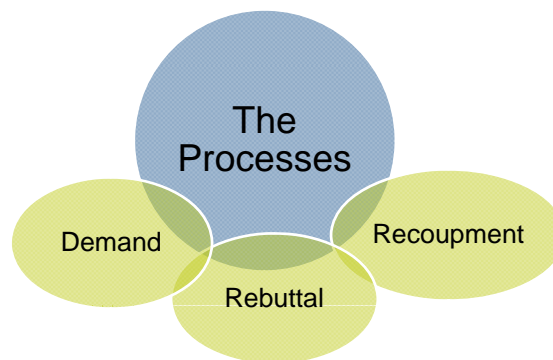
Recoupment Limitations (Cont.)



- **Overpayments that are not subject to limitation on recoupment**
 - All other MSP recoveries
 - Beneficiary overpayments
 - Overpayments that arise from a cost report determination
 - Overpayments that are appealed under the provider reimbursement payment (PRB) process
 - Accelerated/Advanced payments
 - Certain claim adjustments at the contractor's discretion

12

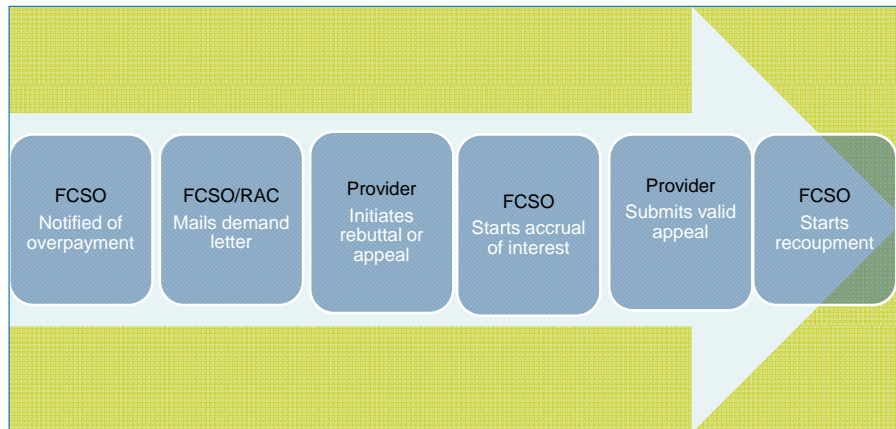
WHEN EXPERIENCE COUNTS & QUALITY MATTERS



13

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

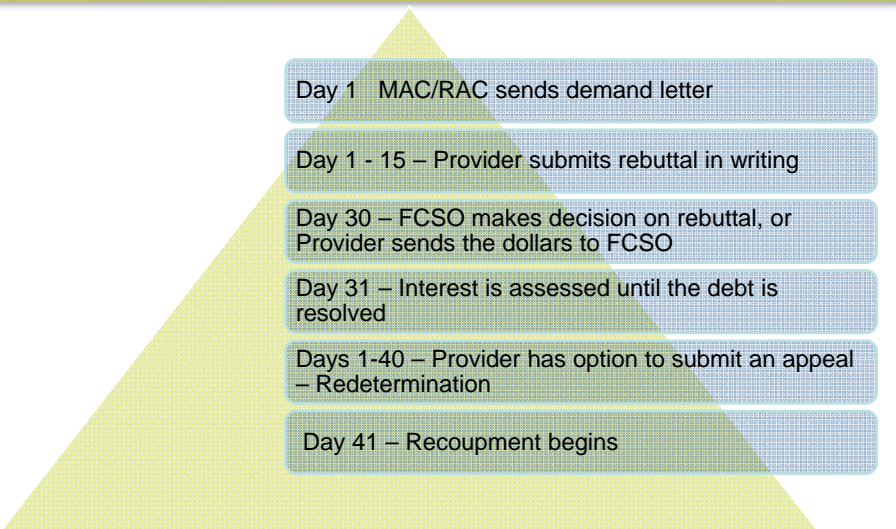
Sequential Chart



14

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Recoupment Timeframe



15

WHEN EXPERIENCE COUNTS & QUALITY MATTERS



Demand Letter

16

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Day 1

- Demand letter
 - Explains
 - Overpayment information
 - Reason for denial
 - Recoupment timeframe
 - Provider must request a valid appeal (redetermination)
 - Within 30 days of date of demand letter

17

WHEN EXPERIENCE COUNTS & QUALITY MATTERS



Rebuttal Process

18

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Day 1-15

- **Rebuttal**
 - Provider must submit statement by within 15 days from date of demand letter
 - Day 15 deadline for rebuttal request

19

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Day 30



- **Repayment plans**
 - FCSO/CMS makes decision on rebuttal, or
 - Payment is made on overpayment
 - Stops interest from accruing

20

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Day 31



- **Interest assessment**
 - Interest begins to accrue on day 1 of the demand letter
 - Interest assessment begins on day 31
 - For each 30-day period payment
 - To avoid interest
 - Payment should be made prior to the 30th day

21

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Day 1- 40



- No recoupment occurs
- Provider can appeal
 - Potentially stop recoupment from occurring

22

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Day 41



- Recoupment begins
 - Medicare begins withholding payments
 - Applies to current and future claims until debt is satisfied
 - Unless provider submit valid appeal

23

WHEN EXPERIENCE COUNTS & QUALITY MATTERS



Class Exercise

24

WHEN EXPERIENCE COUNTS & QUALITY MATTERS



Appeal Process

25

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Five Levels of Appeal



Appeal Level	Time Limit for Filing	Monetary Threshold
1. Redetermination	Within 120 days of receipt of initial claim determination	None
2. Reconsideration	Within 180 days of receipt of redetermination decision	None
3. Administrative Law Judge (ALJ)	Within 60 days of receipt of reconsideration decision	\$130.00
4. Medicare Appeals Council (MAC)	Within 60 days of receipt of ALJ's decision	None
5. Judicial Review	Within 60 days of receipt of MACs decision	\$1,260.00

26

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Redetermination



- Within 120 days of receipt of initial claim determination
- Appeal request received by the 40th business
 - Cease recoupment or not initiate recoupment (if it hasn't started)
 - Retain any amounts recouped
 - Continue to collect any other debts owed

27

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Outcome of a Redetermination



- **Full reversal**

- Adjustment of overpayment and interest charged
 - Overpayment will be applied to any other outstanding debts

- **Partial reversal**

- Recalculate overpayment and underpayment
 - Issue revised demand letter
 - Make appropriate payment

- **Full affirmation**

- Unfavorable decision upholding the overpayment determination
 - Notification recoupment can begin/resume

28

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Reconsideration



- **Within 180 days of receipt of redetermination decision**

- **Submit request within 60 days of appropriate notice/letter**

- Receives notification from Quality Independent Contractor (QIC)
 - Cease recoupment or not initiate recoupment (if it hasn't started)
 - Retain any amounts recouped
 - Continue to collect any other debts owed

29

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Outcome of a Reconsideration



- **Full reversal**

- Adjustment of overpayment and interest charged
 - Overpayment will be applied to any other outstanding debts

- **Partial reversal**

- Recalculate overpayment and underpayment
 - Issue revised demand letter
 - Make appropriate payment

- **Full affirmation**

- Unfavorable decision upholding the overpayment determination
 - Notification recoupment can begin/resume

30

WHEN EXPERIENCE COUNTS & QUALITY MATTERS



Reporting of Recoupment for Overpayment on the Remittance Advice (RA)

Change Request 6870

31

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Change Request (CR) 6870



- Reporting of Recoupment for Overpayment on Remittance Advice (RA)
 - Implement changes to remittance advice
 - Include an Internal Control Number (ICN) or Document Control Number (DCN) and HIC Number in the PLB segment (WO)
 - ICN or DCN reported on remittance advice (RA) that links back to the demand letter

32

WHEN EXPERIENCE COUNTS & QUALITY MATTERS



Remittance Advice Example

33

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Question and Answer Session



- What questions do you have?



34

WHEN EXPERIENCE COUNTS & QUALITY MATTERS



Resources

35

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

First Coast Service Options, Inc.

medicare.fcso.com

medicareespanol.fcso.com

36

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

FCSO Resources

- Appeal of claim decisions
 - <http://medicare.fcso.com/Appeals/164098.asp>
- Limitation on recoupment (935) process
 - http://medicare.fcso.com/Billing_news/165154.asp
- Reporting of recoupment for overpayment on the remittance advice
 - http://medicare.fcso.com/Billing_news/168300.asp
- Tips on understanding Remittance Advice (RA)
 - http://medicare.fcso.com/Remittance_advice/
- Complete listing of remark codes
 - <http://www.wpc-edi.com/codes/remittanceadvice>

37

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

FCSO Resources (Cont.)



- Medicare Part B Debt Recovery request for immediate offset form
 - <http://medicare.fcso.com/Forms/208985.pdf>
- Overpayment redetermination request form for a Medicare Part B claim for Florida
 - <http://medicare.fcso.com/Forms/138315.pdf>

38

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Centers for Medicare & Medicaid Services

www.cms.gov



39

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

- Internet Only Manual (IOM)
 - Publication 100-06 – Medicare Financial Management Manual
 - Chapter 3 – Overpayments
 - Section 200 – Limitation on recoupment (935) for providers, physicians and suppliers overpayments
 - <https://www.cms.gov/manuals/downloads/fin106c03.pdf>
 - Chapter 4 – Debt Collection
 - <https://www.cms.gov/manuals/downloads/fin106c04.pdf>

40



Class Exercise

41

Summary of Today's Topics



- Today we have covered the following topics
 - Overpayment process
 - Limitation on recoupment process
 - Demand letter process
 - Rebuttal process
 - Recoupment process
 - Appeals process
 - Changes to remittance advice
 - Additional resources

42

WHEN EXPERIENCE COUNTS & QUALITY MATTERS

Thank You for Participating



- FCSO values your feedback
 - It is important for you to complete the evaluation and return it before you leave



43

WHEN EXPERIENCE COUNTS & QUALITY MATTERS