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# Medicare

## Carriers Manual

### Part 3 - Claims Process

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Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
Medicaid Services (CMS)

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#### CHANGE REQUEST 2397

<u>HEADER SECTION NUMBERS</u>	<u>PAGES TO INSERT</u>	<u>PAGES TO DELETE</u>
7100 – 7100 (Cont.)	7-58.1 - 7-58.2 (2 pp.)	7-58.1 - 7-58.2 (2 pp.)

NEW/REVISED MATERIAL--*EFFECTIVE DATE: 7/31/02*  
*IMPLEMENTATION DATE: NOVEMBER 1, 2002*

Section 7100, Overpayments - General, is revised to indicate that the format of deceased beneficiaries files for Options B and C, may change from the previous fiscal year's version. The changes are reflected as improvements to assist the contractor in carrying out their identification of inappropriate payments. Contractors using Option B or C should review the format of these files before using it, to ensure its compatibility and make any modifications deemed necessary.

**DISCLAIMER:** The revision date and transmittal number only apply to the redlined material. All other material was previous published in the manual and is only being reprinted.

**These instructions should be implemented within your current operating budget.**

## Overpayments

### 7100. OVERPAYMENTS - GENERAL

"Overpayments" are Medicare funds a physician or beneficiary has received in excess of amounts due and payable under the Medicare statute and regulations. Once a determination of overpayment has been made, the amount so determined is a debt owed to the United States Government.

Under the Federal Claims Collection Act of 1966, each agency or agent of the Federal Government must attempt the collection of Federal claims for money arising out of the activities of the agency. While you are not liable for overpayments you make, in the absence of fraud or gross negligence on your part, you must, as an agent of CMS, attempt recovery of overpayments. Regulations require timely and aggressive efforts to collect overpayments. This includes efforts to locate the debtor, demands for repayment, offsets of benefits, and establishment of repayment schedules. Sections 7100.1 - 7160 set forth the rules for determining liability for overpayments and the necessary recovery action. In these sections, the term "beneficiary" refers to the patient. The term "physician," includes "supplier," to denote the person (or entity) who rendered services or furnished medical items. Instructions regarding referral to CMS also apply to the RRB if it has jurisdiction. (Palmetto Government Benefits Administrators handles all RRB cases with the exceptions noted in §3100.) Some examples of overpayments are:

- Payment based on a charge that exceeds the reasonable charge.
- Duplicate processing of charges/claims.
- Payment to a physician on a nonassigned claim or to a beneficiary on an assigned claim. (Payment made to wrong payee.)
- Payment for noncovered items and services, including medically unnecessary services.
- Incorrect application of the deductible or coinsurance.
- Payment for items or services rendered during a period of nonentitlement.
- Primary payment for items or services for which another entity is the primary payer.
- Payment for items or services rendered after the beneficiary's date of death.

Contractors must conduct post-payment reviews to identify and recover payments with a billed date of service that is after the beneficiary's date of death. The identification of improperly paid claims must be performed at a minimum on an annual fiscal year basis, starting fiscal year 2001 for beneficiaries who died the previous fiscal year. In addition, the associated overpayment recoupment must be performed as soon as administratively possible, but by no later than 1 year after identification.

**EXAMPLE:** Services rendered to beneficiaries who died during fiscal year 2001 - contractors must identify improperly paid services. Within one year of this identification, contractors must issue associated overpayment demand letters (on or before October 1, 2002).

Contractors are not required to perform medical review for paid claims with dates of service after a beneficiary's date of death. The "post-payment claims review" should simply be an identification of the service that has been rendered after the beneficiaries date of death, and the subsequent notification to the provider that an improper payment has been made, for which recovery is now being sought.

At a minimum, contractors may identify deceased beneficiaries and associated improperly paid claims by using one of the following three options:

A. Utilize Beneficiary Eligibility Records Maintained Locally by Contractors.--This step would involve performing a data extract against local contractor eligibility files for all beneficiaries within the contractor's claims processing jurisdiction and identifying those beneficiaries who have died during the applicable fiscal year. Next, once the list of deceased beneficiaries has been identified, contractors would then need to utilize local claims processing history files to identify any services/claims containing a paid date of service that is after the CWF posted date of death.

B. Utilize Beneficiary Eligibility Records Maintained at the CMS Data Center.--This step allows contractors to utilize a CMS created annual computer file of all deceased beneficiaries. On an annual calendar year basis, CMS will create a computer file of all Medicare beneficiaries who died in the preceding calendar year. This computer file should be available for contractors to download from the CMS Data Center by January 31 of each year. **Contractors using this option should review the format for this file to determine if any changes have been made from the previous fiscal year file.**

**EXAMPLE:** On January 31, 2001, CMS created computer files containing information on all Medicare beneficiaries who died during calendar years 1999 and 2000. The annual computer files are located on CMS's mainframe computer and may be found using the following dataset naming convention "c@pig.#dbpc.deceased.benes.dodyyyy", where "yyyy" is equal to the calendar year in which the beneficiaries died. The format for this file is a text file and may also be found using "c@pig.#dbpc.deceased.benes.format".

**EXAMPLE:** Computer file "c@pig.#dbpc.deceased.benes.dod1999" contains information on all Medicare beneficiaries who died during calendar year 1999. Computer file "c@pig.#dbpc.deceased.benes.dod.2000", contains information on all Medicare beneficiaries who died during calendar year 2000. Download the computer files and determine those beneficiaries who died during fiscal year 2000 (October 1, 1999 - September 30, 2000). Then utilize local claims processing history files to identify any services/claims containing a paid date of service that is after the posted date of death.

C. Utilize a CMS Created Computer File of all Deceased Beneficiaries and Associated Improperly Paid Services.--On an annual fiscal year basis, a data team within the CMS Program Integrity Group will create and identify an improperly paid claims file containing service dates after the beneficiary's date of death during the fiscal year. This computer file will identify the deceased beneficiary, the associated date of death, any paid services/claims containing a date of service that is after the beneficiary's date of death, and the Medicare contractor who paid the claim. The annual computer file should be available to contractors no later than July 31 of each year. **Contractors using this option should review the format for this file to determine if any changes have been made from the previous fiscal year file.** The file will be located on the CMS's mainframe computer. Part B carriers must use the following dataset naming convention "c@pig.#dbpc.deceased.partB.fy(yyyy)", where "(yyyy)" is equal to the fiscal year the beneficiaries died. DMERCS must use the following dataset naming convention "c@pig.#dbpc.deceased.partD.fy(yyyy)", where "(yyyy)" is equal to the fiscal year the beneficiaries died. Contractors who utilize this option will download their respective information from this file to perform overpayment recoupments for the associated improperly paid services/claims. The format for these files is a text file and may also be found using "c@pig.#dbpc.pbfy(yyyy).format" for Part B carriers, or using "c@pig.#dbpc.pdfy(yyyy).format" for DMERCS. **(DO NOT USE THE PARENTHESIS when entering fy(yyyy)).** Reference example below.