CMS
CENTERS for MEDICARE & MEDICAID SERVICES

Region C Recovery Audit Contractor (RAC)

August 2, 2011

Dear Medicare Provider,

The Centers for Medicare & Medicaid Services (CMS) has retained Connolly Healthcare to carry out the Recovery Audit Contracting (RAC) program in the State of Texas. The RAC program is mandated by Congress and is aimed at identifying Medicare improper payments.

This letter is to notify you that Medicare has made an overpayment to you for the amount of $138.97. A brief description of the claims associated with this overpayment can be found on the Overpayment Report page. In order to correct this overpayment, please refund $138.97 by 09/11/2011.

This overpayment was identified through data analysis. Data analysis showed an aberrant billing pattern inconsistent with a policy. The data analysis identifying the improper claims paid by Medicare, and the detailed explanation regarding the policy in violation can both be found on the attached spreadsheet. The results of our data analysis justified reopening your claim under §1869(b) (1) (G) of the Social Security Act and 42 CFR 405.980(a) (1). These results also serve as good cause to reopen the claim, if required by 42 CFR 405.980(b) (2).

**Please make the check payable to Medicare and send it with a copy of this letter to the following address:**

Part B Refunds and Appeals
3101 S. Woodlawn
Denison, TX 75020

If your local claims processing contractor offers an immediate offset option contact TrailBlazer Health Enterprises, LLC.

NOTE: If the overpayment is for services that are not medically reasonable and necessary per Medicare standards and you collected the amount of the overpayment from the beneficiary, the beneficiary has the right to request payment from Medicare. Any such indemnification will be recovered from you.

CONNOLLY
healthcare
recovery audit experts
One Crescent Drive, Suite 300/Philadelphia, PA 19112 (p) 866.360.2507 (f) 203.529.2995
www.connollyhealthcare.com/RAC/

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**Key Timeframes**

As you review the overpayment, below is some important information and key timeframes (15, 30, 40 and 120 days) to consider:

**15 Days:**

- **Rebuttal Process:** Under our existing regulations 42 CFR § 405.374, providers, physicians and suppliers have 15 days from the date of this demand letter to submit a rebuttal statement. The rebuttal process provides the debtor the opportunity to submit a statement and accompanying evidence indicating why recoupment should not be initiated. The outcome of the rebuttal process could change how or if CMS will recoup. If you have reason to believe the withhold should not occur on 09/11/2011 you must notify the claim processing contractor before 08/17/2011. CMS will review your documentation. The claim processing contractor will advise you of its decision in writing within 15 days of your request. However, the rebuttal statement is not an appeal of the overpayment determination, and it will not delay/cease recoupment activities.

**30 Days:**

- **Repayment Plans:** Please contact us immediately if you are unable to refund the entire amount at this time so that we may determine if you are eligible for a **repayment plan.** Any CMS approved repayment plan would run from the date of this letter. Recoupment by offset (which starts on day 41) can be averted by submitting a check with your repayment plan application.

- **Interest Assessment Begins on the 31st Day:** Under Medicare law, 42 CFR 405.378, a refund is required within 30 days from the date of this letter or interest will be assessed. Interest began to accrue as of the date of this demand letter and will continue to accrue at a rate of ***11.50%***. Beginning on the 31st day interest will be assessed for each full 30-day period payment is not made on time. If the entire amount is refunded before day 30 no interest will be assessed on the overpayment. ***Example:*** *An overpayment is identified for $795.45 and a demand letter is sent on 03/01/09. The physician does not remit payment on the overpayment until 04/15/09 (45 days after the date of the initial demand letter). Therefore, on 04/01/09 interest accrues on the $795.45 for one full 30-day period.*

- **Information for those in Bankruptcy:** If you have filed a bankruptcy petition or are involved in a bankruptcy proceeding, Medicare financial obligations will be resolved in accordance with the applicable bankruptcy process. Please contact us immediately to notify us about the bankruptcy so that we may coordinate with CMS and the Department of Justice to assure your situation is handled appropriately. Please supply the name and district under which the bankruptcy is filed if possible.

**40 Days**

- **Recoupments:** After 40 days Medicare will begin withholding. NOTE: The withholding of Medicare payments will apply to current and future claims until the full overpayment amount and any applicable interest has been recouped or an acceptable extended repayment request is received

**How to Stop Recoupment:**
Even if the overpayment and any assessed interest have not been paid in full you can stop Medicare from recouping any payments if you act quickly and decidedly. Medicare will permit providers, physicians and suppliers to **stop recoupment** at several points. The first occurs if Medicare receives a valid and timely request for a redetermination within 30 days from the date of this letter. If the appeal is filed later than 30 days, we will also stop recoupment at whatever point that an appeal is received but Medicare may not refund any recoupment already taken.

Medicare will again stop recoupment if, following an unfavorable or partially favorable redetermination decision, you decide to act quickly and file a valid request for reconsideration with the Qualified Independent Contractor (QIC). The address and details on how to file a request for reconsideration will be included in the redetermination decision letter.

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**What are the timeframes to stop recoupment:**

**First Opportunity**: To avoid the recoupment, the appeal request must be filed within 30 days of this letter. We request that you clearly indicate on your appeal request that this is an **overpayment** appeal and you are requesting a redetermination. Send your appeal request to:

Part B Refunds and Appeals
3101 S. Woodlawn
Denison, TX 75020

**Second Opportunity**: If the redetermination decision is 1) **unfavorable** Medicare can begin to recoup no earlier than the 61st day from the date of the Medicare redetermination notice (Medicare Appeal Decision Letter), or 2) if the decision is **partially favorable**, we can begin to recoup no earlier than the 61st day from the date of the Medicare revised overpayment Notice/Revised Demand Letter, or 3) if the appeal request was received and validated after the 60th day Medicare will stop recoupment. The address and details on how to file a request for reconsideration will be included in the redetermination decision letter.

**What happens following a reconsideration by a Qualified Independent Contractor?**
Following decision or dismissal by the QIC, if the debt has not been paid in full, Medicare will begin or resume recoupment whether or not you appeal to any further level.
NOTE: Even when recoupment is stopped, interest continues to accrue.

**120 Days**

- **Appeals Must be Filed WITHIN 120 Days:** If you disagree with the overpayment decision, you may file an appeal. You have the option to appeal all of the claims from the overpayment letter or only part of the claims in the overpayment letter. An appeal is a review performed by people independent of those who have reviewed your claim so far. There are multiple levels of appeals. The first level of appeal is called a **redetermination.** A redetermination must be filed within 120 days of the date you receive this letter (presume five days following date of this letter). **However, if you wish to avoid recoupment from occurring and assessment of interest of this overpayment, you need to file your request for redetermination within 30 days from the date of this letter as described above.**

- **Filing An Appeal:** A request for a redetermination along with a copy of this letter should be mailed to:

Part B Refunds and Appeals
3101 S. Woodlawn
Denison, TX 75020

**NOTE: Interest continues to accrue throughout the appeals process.**

Thank you for your cooperation and prompt attention to this overpayment. If you have any questions regarding this letter or would like to discuss the overpayment identification, please direct your inquiry to the below associate.

Sincerely,

Connolly Customer Service
866-360-2507 (Press 4)

Enclosure:

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## Overpayment Report

Letter Ref#: 20110802132621287-8L20209

| Member Name | HIC | Claim Ref # | DOS From | DOS To | Improper Pmt Amt | AR# | CMS Issue Number |
|---|---|---|---|---|---|---|---|
| | | | 09/21/10 | 09/21/10 | $138.97 | | C003852010 |
| Total Overpayment Amt: $138.97 | | | | | | | |

**CMS Issue Number Description:**

**C003852010:** Under the global surgery fee concept, physicians bill a single fee for all of their services usually associated with a surgical procedure and related E&M services provided during the global surgery period. The global surgery fee includes payment for E&M services provided during the global surgery period. Good Cause is evidenced by data analysis that identifies errors or patterns of over-utilization on the part of a provider or supplier. This causes the contractor to believe its initial determinations for the claims of the provider or supplier were incorrect as noted in Medicare Claims Processing Manual, Chapter 20: Section 110, Chapter 6: Section 20.1.2, and Chapter 3: Section 40. According to 42 CFR §405.980(b) and (c), and §405.986, a contractor may reopen an initial determination made on a claim between 1 year and 4 years from the date of the initial determination when good cause exists. This instruction offers clarification as to what constitutes new and material evidence, as it relates to good cause for reopening the claim(s). Justification for reopening your claim was due to improper payments found in the results of our data analysis. The global surgery fee includes payment for E&M services provided during the global surgery period.

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