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Instructions for Medicare Credit Balance Reporting Activities

Key Words

MM5084, CR5084, R99FM, Credit, Balance, Reporting, CMS-383

Provider Types Affected

All providers who bill Fiscal Intermediaries (FIs) and Regional Home Health Intermediaries (RHHIs) and who are required to submit a quarterly Medicare Credit Balance Report (CMS-838)

Key Points

- The effective date of the instruction is October 2, 2006.
- The implementation date is October 2, 2006.
- MLN Matters article MM5084 and CR5084 replace CR2810 and existing FI/RHHI and provider instructions related to provider reporting of Medicare credit balances.
- The instructions include revised and new material for Non-Medicare Secondary Payer (Non-MSP) and the Medicare Secondary Payer (MSP) Medicare credit balance reporting process.
- CR5084 also manualizes the Provider Credit Balance Reporting Instructions in the *Medicare Financial Management Manual.*
- Providers use the quarterly CMS-838 report to disclose Medicare credit balances. They determine the number and amount of these balances for refunds due to the Medicare program.
- Generally, when a provider receives an improper or excess payment for a claim, it is reflected in their accounting records (patient accounts receivable) as a “credit.” However, Medicare credit balances include money due to the program regardless of its classification in a provider’s accounting records.
- For example, if a provider maintains credit balance accounts for a stipulated period, such as 90 days, and then transfers the accounts or writes them off to a holding account, this does not relieve the provider of its liability to the program.
- In these instances, the provider is responsible for identifying and repaying all of the monies from these credit balance accounts to the Medicare program.

- The following instructions provide guidance for providers when completing CMS-838:

  Submit Completed CMS-838 Within 30 Days of Each Quarter

  - Providers must submit a completed CMS-838 to their FI/RHHI within 30 days after the close of each calendar quarter.
  - Providers should include in the report all Medicare credit balances shown in their accounting records (including transfer, holding or other general accounts used to accumulate credit balance funds) as of the last day of the reporting quarter.
  - The current version of the Medicare Credit Balance Report (CMS Form 838 Certification Page and Detail Page) and instructions for its completion are available at *http://www.cms.hhs.gov/CMSForms/CMSForms/list.asp#TopOfPage* on the CMS website.

  Report all Medicare Credit Balances

  - Providers report all Medicare credit balances shown in their records regardless of when they occurred.
  - Providers are responsible for reporting and repaying all improper or excess payments they have received from the time they began participating in the Medicare program.
  - Providers need an officer or the administrator of their facility to sign and date the certification page.
  - If no Medicare credit balances are shown in the records for the reporting quarter, the officer or administrator should sign the form and submit it to attest to this fact.

  Detail Page

  - Providers should use the detail page that requires specific information on each credit balance on a claim-by-claim basis. The detail page provides space to address 17 claims.
  - Providers may add additional lines or reproduce the form as many times as necessary to accommodate all of the credit balances that they report.
  - Providers should submit the detail page(s) on diskette/CD, which is available from their intermediary.
  - Providers should submit the certification page in hard copy.

  Part A Versus Part B Credit Balances

  - Providers should segregate the Part A credit balances from Part B credit balances by reporting them on separate detail pages. Part B pertains only to services they provide which are billed to their FI.
  - It does not pertain to physician and supplier services billed to Medicare carriers. Providers should place an “A” if the report page(s) reflects Medicare Part A credit balances or a “B” if it reflects Part B credit balances.

  Other Instructions

- Providers should complete the CMS-838 detail form, providing the information required in the heading area of the detail page(s). Providers must show the full name of the facility and the provider number. If there are multiple provider numbers for dedicated units within the facility (e.g., psychiatric, physical medicine, and rehabilitation), providers complete a separate Medicare Credit Balance Report for each provider number, including the month, day, and year of the reporting quarter, e.g., 12/31/02.
- Providers should write the number of the current detail page and the total number of pages forwarded, excluding the certification page (e.g., Page 1 of 3); and the name and telephone number of the individual who may be contacted regarding any questions that may arise with respect to the credit balance data.
- Providers should complete the data fields for each Medicare credit balance by providing the following information (when a credit balance is the result of a duplicate Medicare primary payment, report the data pertaining to the most recently paid claim).
- Providers complete columns 1-15. Once a credit balance is reported on the CMS-838, it is not to be reported on a subsequent period report.
- Providers must pay all amounts owed Medicare as shown in column 9 of the credit balance report at the time they submit the CMS-838 and make payment by check or by submission of adjustment bills.
- Providers should submit adjustment bills in hard copy or electronic format.
- Providers should include a separate adjustment bill, electronic or hard copy if payments are made by a check for all individual credit balances.
- The FI will ensure that the monies are not collected twice. Providers should not submit credit balance information on the CMS-838 detail page as a substitute for adjustment bills. This will not be accepted by the FI as a substitute for adjustment bills.
- Providers should send in claim adjustments, whether as payment or in connection with a check, by submitting them as adjustment bills (electronic or hard copy).
- If the claim adjustment was submitted electronically, this should be shown on the CMS-838 (see instruction for column 11).

MSP Rules

- Providers should follow the MSP rules for MSP credit balances. There is a limited exception for MSP credit balances. Federal regulations at 42 CFR 489.20(h) state that “if a provider receives payment for the same services from Medicare and another payer that is primary to Medicare…” the provider must identify MSP related credit balances in the report for the quarter in which the credit balance was identified, even if repayment is not required until after the date the report is due.
- If providers are not submitting a payment (by check or adjustment bill) for an MSP credit balance with the CMS-838 because of the 60-day rule, they must furnish the date the credit balance was received.
- Otherwise, the FI will assume that the payment is due and will issue a recovery demand letter and accrue interest without taking this 60-day period into consideration.

Extended Repayment Schedule

- Providers may request an extended repayment schedule, if the amount owed Medicare is so large that immediate repayment would cause financial hardship.

Documentation Procedures

- Providers should develop and maintain documentation that shows that each patient record with a credit balance (transfer, holding account) was reviewed to determine credit balances attributable to Medicare and the amount owed for preparation of the CMS-838. At a minimum, the provider's procedures should:
  - Identify whether or not the patient is an eligible Medicare beneficiary;
  - Identify other liable insurers and the primary payer;
  - Adhere to applicable Medicare payment rules; and
  - Ensure that the credit balance is due and refundable to Medicare.
- FIs will impose a suspension of Medicare payments and the provider's eligibility to participate in the Medicare program may be affected for failing to submit the CMS-838 or for not maintaining documentation that adequately supports the credit balance data reported to CMS. The FI will review the provider's documentation during audits/reviews performed for cost report settlement purposes.

Submission of CMS-838

- Provider-based home health agencies (HHAs) submit their CMS-838 to their RHHI even though it may be different from the FI servicing the parent facility.
- Providers with extremely low Medicare utilization are not required to submit a CMS-838. A *low utilization provider* is defined as a facility that files a low utilization Medicare cost report as specified in the *Provider Reimbursement Manual (*PRM-1), section 2414.4.B, or files less than 25 Medicare claims per year.

Repayment of Credit Balances Resulting from MSP Payments

- Providers must repay credit balances resulting from MSP payments within the 60-day period.
- Federal regulations at 42 CFR 489.20(h) require the provider to pay Medicare within 60 days from the date they receive payment from another payer (primary to Medicare) for the same service.
- Submission of a CMS-838 and adherence to CMS' instructions do not interfere with this rule.
- Providers must repay credit balances resulting from MSP payments within the 60-day period.
- Providers must report credit balances resulting from MSP payments on the CMS-838 if they have not been repaid by the last day of the reporting quarter.
- If providers identify and repay an MSP credit balance within a reporting quarter, in accordance with the 60-day requirement, they do not include it in the CMS-838, i.e., once payment is made, a credit balance would no longer be reflected in their records.
- If an MSP credit balance occurs late in a reporting quarter, and the CMS-838 is due prior to the expiration of the 60-day requirement, providers should include it in the credit balance report.

- However, payment of the credit balance does not have to be made at the time they submit the CMS-838, but within the 60 days allowed.

Important Links

http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5084.pdf

http://www.cms.hhs.gov/Transmittals/downloads/R99FM.pdf

The PRM-1 manual is available at *http://www.cms.hhs.gov/Manuals/PBM/list.asp#TopOfPage* on the Centers for Medicare and Medicaid Services website.