

REIMBURSEMENT NEWS – KPTA

January 29, 2012

The following information is provided with the intention of sharing, informing, and updating current issues related to reimbursement. Every effort is made to reference the material. Please contact the KPTA immediately @ kpta@kpta.com if the information contains errors or requires further updates

MEDICARE UPDATES

Accessed from: WPS Medicare Part B J5 MAC eNews for Friday, January 27, 2012

MEDICARE SECONDARY PAYER (MSP) DEDUCTIBLE

On April 1, 2011, the Centers for Medicare & Medicaid Services implemented Change Request 7026. This instruction directed the Common Working File (CWF) to accept both Medicare Secondary Payer (MSP) and Non-MSP lines on the same claim or adjustment. As a result of this change, Medicare applied the total Medicare allowed amount towards the beneficiary's deductible obligation and erroneously issued secondary payment on some claims and adjustments. Impacted claims processed between April 2, 2011, and November 4, 2011.

WPS Medicare initiated mass adjustments on January 12, 2012, to correct these erroneous payments. As a result, providers would have begun seeing these adjusted claims on their Remittance Advices (RAs) as early as last week. Demand letters for these overpayments were sent to providers from January 18 - 25, 2012.

WPS Medicare offers providers the opportunity to have Accounts Receivables (money requested by Medicare) collected through immediate offset. Providers must request this option by completing an Immediate Offset Request form and faxing it to our Financial department at (608) 301-2775.

What providers need to know about immediate offset:

- * Requests for immediate offset will be processed within 1 business day after they are received.
- * Immediate offset can be requested for an entire demand letter, or for individual invoice numbers.
- * After an immediate offset has been requested, the next check or electronic funds transfer (EFT) will be used to close the Accounts Receivable (AR). If one check or EFT does not have sufficient funds to close the AR, each check or EFT following the request will do the same until the AR is closed.
- * Requesting an immediate offset does not eliminate interest payments when the AR is not offset in full within 30 days.
- * Providers will receive remittance notices showing money withheld due to offset.
- * Providers can watch for notification of an offset on the bottom of their remittance; this notice will be labeled with a "WO" followed by an FCN, which will be the AR number that offset.
- * Providers are responsible for tracking which AR the payment is applied to by checking the remit notice against the AR request letter.

The Immediate Offset Request form can be found at:

<http://www.wpsmedicare.com/j5macpartb/forms/files/offsetrequestform.pdf>