

To: All Providers
From: CareFirst of MD, Inc.
Date: June 3, 2003
Subject: Updated Revision to Change Request (CR) 2508, Suspension, Offset, and Recoupement
of Medicare Payments to Providers and Suppliers of Services

The Centers for Medicare & Medicaid Services (CMS) is revising its instructions issued in CR 2508 related to the suspension of payment for providers that do not file their cost reports timely. This CR (2677) will supercede the instructions given in CR 2508.

Effective immediately, if a provider cannot submit its cost report by the due date, then the provider may contact its fiscal intermediary (FI) prior to the cost report due date and request a reduction in the rate of suspension. If the FI receives a request for a reduction in the rate of suspension, and the FI believes the request should be approved, the FI should recommend to the Regional Office (RO) that the provider's suspension rate be reduced to 50 percent for a 60-day period. If the RO concurs, then the FI should suspend 50 percent of the provider's payments for the first 60 days the cost report is late. On the 61st day, if the cost report has not been filed, the rate of suspension should change to 100 percent. If a provider fails to request a reduction in the rate of suspension, or if the FI does not concur with the request for a reduced suspension rate, then 100 percent of the provider's payments should be suspended if the cost report is not filed timely. Payment due dates and interest assessments are still based on the due date of the cost report. (**NOTE:** If the FI believes a different suspension rate is appropriate because of unique circumstances, the FI should consult with the RO.)

If system limitations preclude you from suspending payments based on a percentage, then you should suspend payments based on the dollar amount that results from applying the applicable rate of suspension to the average payment for the 6 months prior to the suspension.

Terminated providers should immediately have 100 percent of their payments suspended for failure to file a cost report in a timely manner.

The effective date for this bulletin is June 1, 2003.
The implementation date for this bulletin is June 1, 2003.

THIS BULLETIN SHOULD BE SHARED WITH ALL HEALTH CARE PRACTITIONERS AND MANAGERIAL MEMBERS OF THE PROVIDER/SUPPLIER STAFF. ALL BULLETINS ISSUED AFTER OCTOBER 1, 1999 ARE AVAILABLE AT NO COST FROM OUR WEB SITE AT www.marylandmedicare.com

(Source: Program Memorandum A03-042, Change Request 2677)