

To: All Providers
From: CareFirst of Maryland, Inc.
Audit & Reimbursement Department
Subject: **Revision to 42CFR 405.371 Suspension, Offset and Recoupment of Medicare Payments to Providers and Suppliers of Services**
Date: January 31, 2003

CMS has revised the regulations at 42CFR 405.371 related to payment suspensions for unfiled cost reports. Effective January 1, 2003, suspension of payments have been reduced since a smaller fraction of payments are made based on the cost report.

This revision is for cost reports due on or after January 1, 2003. The following percentages will be utilized when suspending a provider's payments for failure to file a timely cost report:

DAYS LATE	RATE OF PAYMENT SUSPENSION
Up to 60 days	20%
61 – 120 days	50%
121 + days	100%

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

The *effective date* and *implementation date* for this Program Memorandum (PM) is January 1, 2003.

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

Questions regarding this bulletin should be directed to the Audit Supervisor in charge of your facility.

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