

## February 27, 2014 Third Party Liability Recovery

On February 27, 2014, the Department of Public Welfare's (Department) Division of Third Party Liability (TPL) issued a Medicare Part B TPL/Coordination of Benefits (COB) recovery through its TPL contractor, Health Management Systems, Inc. (HMS) related to claims originally paid by Medical Assistance (MA). The recovery was sent to provider types 18 (Optometrist) and 31 (Physician).

- This TPL/COB Recovery Project encompasses recipients having Medicare coverage.
- TPL is seeking assistance from medical providers in recouping funds associated with recipients who had both Medicare and MA coverage at the time the service was delivered. The Department was not aware of the coverage at the time of service delivery.
- TPL and its contractor, HMS, are continually identifying resources via eligibility data exchanges with Medicare. These are often identified after a claim is paid. It is a Federal requirement that TPL recoup payments when a third party is identified. MA is to be the payer of last resort.
- The claims in this project cover dates of service associated with Medicare resources from **March 2013 through October 2013**.
- The letter to providers related to this recoupment project includes the following: two listings of the claims being considered for recoupment, instructions for responding to the TPL/COB Recoupment Project, and HMS contact information should the provider have questions.
- The letter also explains our expectation that the provider attempt to bill Medicare. After the deadline date (60 days from the date of the letter), TPL will recoup the money electronically. Providers are asked not to submit checks or payments as a result of any payments they receive from Medicare for the claims in this recoupment project, but they should supply documentation as explained in the project instructions to HMS to confirm receipt of denial from Medicare.
- Claims must be submitted to Medicare for processing within one year of date of service to be considered timely.
- If co-insurance and deductible amounts are due, the providers should submit a new claim for these payments to HMS according to the instructions included in the project. The new claim forms should be submitted only after the recovery has been completed. Providers will need to supply the ICN associated with the voided/retracted claim (ICN begins with Region Code '54') and the original ICN of the claim. Please send new billing forms only as the old forms will not be accepted.
- It is recommended that providers contact HMS at the toll-free number supplied in the instructions if they have questions regarding this project.



February 27, 2014

Dear Medical Assistance Provider:

The Department of Public Welfare (department) is requesting your assistance in the recoupment of funds for services provided to Medical Assistance (MA) recipients for whom Medicare B coverage was identified after the services were paid by MA. In accordance with 55 Pa. Code § 1101.64 – Third Party Medical Resources, MA is the payer of last resort; therefore, Medicare should have paid first for the services, rather than MA.

We have contracted with Health Management Systems, Inc. (HMS) to perform Third Party Liability (TPL) recovery activities. HMS has reprocessed MA paid claims for the period of **March 2013 through October 2013** and has identified claims associated with recipients who were eligible for Medicare coverage on the dates of service. HMS, on behalf of the department, intends to recover funds for these claims paid by MA that should have been billed to Medicare as primary.

Federal regulations at 42 CFR 433.139 require that the department's MA Program recover payments when a liable third party is identified. Therefore, unless we receive documentation from your facility to refute the recoupment within sixty (60) days from the date of this notice, the department will automatically recoup the total dollar amount /recoverable funds indicated on the attached listing under the column entitled "Recoup Amount" on a future Remittance Advice (RA). The Medicare timely filing limits for these claims will expire one year from the date of service. Therefore, the department strongly recommends that you bill these claims to Medicare immediately. A denial associated with the untimely filing of a claim will not be acceptable to refute the recoupment of a claim. Complete instructions for this process are attached. **PLEASE DO NOT SEND CHECKS OR CASH.**

If recoupment is not appropriate, please notify us by following the attached instructions. **PLEASE NOTE: Instructions relating to the submission of coinsurance/deductible claims have changed. Please read and follow the revised instructions carefully.** Enclosed you will find two (2) detailed claims listings and guidelines that must be followed to ensure necessary information is supplied to the department. These claims must be billed to Medicare. Coverage information has been obtained from various resources. The department recognizes that circumstances such as pre-existing conditions, exhausted benefits, or other contract limitations may exist, which could result in non-payment by Medicare.

Please note that this letter is being sent to the same location where the payment was generated. If necessary, please forward this letter to the appropriate department/entity and ensure it is acted upon immediately. It is imperative that the appropriate personnel receive all notification and instructions regarding this recoupment action. When responding to the department, please include all appropriate correspondence as noted in the attached recoupment guidelines. If you expect a delay in third party processing, you must contact the phone number below **prior** to the deadline to request an extension.

**All correspondence, documentation, and inquiries regarding this recoupment notice must be directed to:**

Health Management Systems, Inc.  
Attn: Provider Relations, PA MC  
5615 High Point Drive, Suite 100  
Irving, TX 75038  
1-877-266-1090 (toll free) Fax: (214) 905-2064

We sincerely appreciate your cooperation in this effort to ensure appropriate expenditure of MA funds.

Sincerely,

A handwritten signature in black ink that reads "Carole Procopé". The signature is written in a cursive, flowing style.

Carole Procopé, TPL Division Director



## **INSTRUCTIONS – PA MEDICAID RECOUPMENT PROJECT**

As stated in the attached letter from the department, HMS is assisting the department with its TPL recovery program. After reviewing paid claims, HMS found that the recipients associated with claims on the attached listing(s) were eligible for Medicare coverage on the date(s) of service. Please follow the instructions below when billing these claims to Medicare.

1. **DO NOT SEND CHECKS, CASH OR A VOID REQUEST TO THE DEPARTMENT.** There will be no mechanism to stop the recoupment other than those mentioned in these instructions. Refund checks cannot be accepted. Recoverable funds will be recouped on a future Remittance Advice (RA). A banner page will accompany the RA to alert you to the recoupment.
2. If you receive payment equal to or greater than the MA fee you were paid, **DO NOT RESPOND** to this notice. **The department will process the adjustment to recover funds for any claim for which a response is not received.**
3. Two (2) copies of the list have been provided. Please retain one copy for your records and **return the second to HMS at the address shown below** with the following if you wish to refute the recovery of any claims:
  - A. Any current Medicare Explanation of Benefits (EOB)/denials that your facility receives on these claims **must** accompany the listing.
  - B. A copy of a MA remittance advice on which a prior recoupment is shown on these claims.
  - C. Please include a contact person along with a telephone number on any reply to this notice.

**\*\*Important** - Please make a notation next to each claim that you agree should be recouped by the department with an "R" for recoupment or with the word "Agree" to indicate that you have reviewed these claims and agree that the funds should be recouped by the department.

4. **\*\*REVISED INSTRUCTIONS\*\* - Only AFTER the claim is processed and the funds are retracted by the department,** a new paper claim (black and white copy acceptable) **and EOB**, not a claim adjustment, should be submitted when MA is responsible for payment of the Medicare deductible or coinsurance charges. The new paper claim must follow all department claim submission guidelines. In addition, the original ICN **and** the Adjustment ICN (begins with Region Code "54") should be placed on the UB-04 paper claim in Box 80 – Remarks or on the CMS -1500 in space at the bottom of the claim. The department will process these new paper claims after the recoupment has been completed.
5. Again, **to prevent recoupment**, you should immediately:
  - a. Review your records
  - b. If you have not already done so, bill Medicare immediately and then
  - c. Forward any Medicare denials or other documentation within **60 days** from the date of this notice to:

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Attn: Provider Relations, PA MC  
5615 High Point Drive, Suite 100  
Irving, TX 75038  
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6. **Provider/Service Location:**  
The department will recover payment of these claims from the provider number and service location listed on the claims report. If you are no longer billing from this service location or want the department to recover the payment from another service location, please contact the number listed above.