

Dermatology Coding Alert

Overpayments: Medicare Now Has 5 Years to Request Money Back From Your Practice

Previous 3-year lookback period was extended with 'fiscal cliff' legislation.

If you've been put out by auditors requesting refunds on Medicare overpayments that you collected three years ago, that frustration could now extend an extra two years. Recent legislation now gives Medicare a five year lookback period to come after overpayments that Medicare made to you.

Background: Last May, the OIG published its Obstacles to Collection of Millions in Medicare Overpayments, which lamented that the government is barred from recovering overpayments from practices after three years following the original payment. The report noted that CMS was unable to collect over \$332 million "because of time constraints imposed by the statute of limitations on overpayment collections," and the OIG subsequently asked CMS to "pursue legislation to extend the statute of limitations" for collecting those overpayments.

It appears that has come to fruition. The American Taxpayer Relief Act of 2012, which President Obama signed into law on Jan. 2, includes a very small but significant provision that gives the government two more years to come after overpayments you may have collected. The text of Section 638 of the bill reads as follows:

"SEC. 638. REMOVING OBSTACLES TO COLLECTION OF OVERPAYMENTS. a) IN GENERAL.--The last sentence of subsections (b) and (c) of section 1870 of the Social Security Act (42 U.S.C. 1395gg) are each amended--(1) by striking "third year" and inserting "fifth year"; and (2) by striking "three-year" and inserting "five year". (b) EFFECTIVE DATE.--The amendments made by subsection (a) shall take effect on the date of the enactment of this Act."

Although the text is short, it may not sound particularly sweet to Part B practices, which are already under pressure from ZPIC, RAC, and other auditors who are trying to ferret out potential overpayments.

Best bet: If you receive an overpayment from your MAC, return it immediately so you don't have to deal with recoupment requests down the road.

Resource: To read the complete text of the American Taxpayer Relief Act of 2012, visit www.gpo.gov/fdsys/pkg/BILLS-112hr8eas/pdf/BILLS-112hr8eas.pdf.