

## Optometry Coding & Billing Alert

### Reader Questions: Expect Less From Medicare if Doc Owes the IRS

**Question:** My optometrist owes back taxes to the IRS. A colleague warned him that the IRS can start taking money out of his Medicare claims reimbursement. Is this true?

Oregon Subscriber

Answer: That is correct. The IRS can and might garnish some of your Medicare reimbursement until your physician has paid back what he owes.

**The new way:** According to CMS Transmittal 368, which went into effect on Oct. 1, businesses that owe tax money to the IRS may face levies. "CMS may reduce federal payments subject to the levy by 15 percent, or the exact amount of the

tax owed if it is less than 15 percent of the payment," the transmittal states. "The levy is continuous until the overdue taxes are paid in full or other arrangements are made to satisfy the debt."

**What this means to you:** If a physician owes back taxes, the IRS will arrange to take 15 percent of that physician's Medicare reimbursement until the levy has been satisfied, experts explain. This means that you will continue collecting reimbursement, but the payment will be reduced by 15 percent until you no longer owe the IRS money.

**Watch for:** If the government has garnished part of your Medicare reimbursement, you'll see the code "WU" in the PLB03-1 data field, along with Medicare's phone number in case you have questions about the adjustment.

To read the complete CMS transmittal, visit the CMS Web site at [www.cms.hhs.gov/transmittals/downloads/R367OTN.pdf](http://www.cms.hhs.gov/transmittals/downloads/R367OTN.pdf). To review the related MLN Matters article, visit the CMS Web site at

[www.cms.hhs.gov/MLNMattersArticles/downloads/MM6125.pdf](http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6125.pdf).