

Part B Insider (Multispecialty) Coding Alert

PART B MYTHBUSTER: Take MACs' Refund Requests Seriously

Follow these steps to ensure you don't enter a cycle of unwanted recoupments.

Myth: If you owe money to your MAC, it's easier to just let the payer withhold it from your reimbursement than to submit the payment.

Reality: If you're going to ask the MAC to offset your reimbursement, you should make it official -- otherwise you'll just look like you're deliberately not paying.

The scenario: AMAC requests a refund from a medical practice, so the practice submits a check. Several weeks later, the carrier states that it was so behind in posting the refund checks that the system automatically recouped the amount out of the practice's Medicare payments because they "did not refund in a timely manner."

The MAC applies the practice's original check to other refunds that it believes the practice owes.

To find out how to remedy this issue, read on for our experts' advice.

Take Documentation Into Account

"Each MAC has its own refund procedures on their Web sites, and you have to follow them to the letter," says **Barbara J. Cobuzzi, MBA, CPC, CPC-H, CPC-P, CENTC, CHCC**, president of CRN Healthcare Solutions.

Resource: There are forms on the carriers' Web sites, called offset requests or a refund requests, says **Zia Clarkson**, a coding, reimbursement, and practice management consultant in Long Island, N.Y. "It is more efficient to use the forms and have Medicare make an offset or refund the money. It is also more efficient to contact the MAC to have the system noted about which choice you have made," Clarkson says.

For instance, National Government Services, a Medicare payer in 20 states, keeps its forms at www.ngsmedicare.com/NGSMedicare/PartB/Resources/Forms/19055_V1.3.pdf.

An option is on the form for the practice to indicate that it wants the MAC to offset the the refund on a future payment. "Once received and reviewed, Medicare will take the funds back off of their next payment, and that recovery may be off of another patient's account," Clarkson says. "However, they will identify who the original payment -- the overpayment -- was issued on behalf of."

Example: Medicare pays \$100 on the account of Joan Jones. Later, the MAC realizes that it paid the \$100 in error and sends the provider a refund request. "If the provider does not respond in 30 days, Medicare sends another notice in an EOB stating that they are going to recoup that \$100 -- it will be called a forwarding balance," Clarkson says.

(Keep in mind, however, that it is not recommended to ignore the refund request -- instead, you should fill out the MAC's repayment form). "The MAC then takes the \$100 out of their next payment to the practice, which the practice is owed for Sam Smith's visit," Clarkson says.

On the EOB for Sam Smith's visit, there is a notification with a financial control number (FCN). If you call your MAC about the issue, you can cross-reference that FCN and tell the specialist, "Yes, we are recognizing an overpayment on Joan Jones for date of service xx for \$xx.xx," Clarkson says.

"Ideally, you should be able to reference that original amount on the original check that was paid on Joan Jones' account, and move the payment to Sam Smith's account in your local practice system," Clarkson says.

"This would be taking back the money off Joan and putting it where it belongs on Sam. No need for the practice to write a check to Medicare."

If the practice wants to send refund checks, it should call the MAC if your MAC allows you to phone in your request, and have the account noted that way as soon as possible, Clarkson says. "The reps there will tell you if the account has already gone to recoupment. They can also note the account for a certain period of time so that the recoupment process does not continue, pending a refund check." Each MAC requires you to send a specific form with your refund check, she says.

Bottom line: Talk to your MAC reps and fill out the correct forms, regardless of whether you intend to send a refund or get an offset. "The offset does not require sending money but needs to be recognized by the practice accounting software properly," Clarkson says. "The refund needs to be done in communication with Medicare so that the recoup/refund cycle does not get out of hand."