

Part B Insider (Multispecialty) Coding Alert

Reader Question: Get the Facts on Medicare Overpayment Rebuttals

Question: Our practice just received a "demand letter" from our Medicare Administrative Contractor (MAC) insisting that we were overpaid. According to a thorough review of our records, we feel that the MAC is mistaken. Do we have any recourse?

Illinois Subscriber

Answer: Yes, you do. With Medicare overpayments, you have two choices: You can send your MAC a rebuttal or you can appeal the decision, initiating the traditional Part B appeals process.



Appealing an overpayment is similar to appealing a denied claim. You'll need to collect and submit documentation to your MAC proving medical necessity. The standard five levels of Medicare appeals apply and include the following:

- Level 1: Redetermination
- Level 2: Reconsideration
- Level 3: Administrative Law Judge (ALJ) hearing or an Attorney Adjudicator at the Office of Medicare Hearings and Appeals (OMHA) review
- Level 4: Medicare Appeals Council Department Appeals Board (DAB) review
- Level 5: U.S. Federal District Court review

Reminder: "When requesting a redetermination on an overpayment subject to the 'Limitation on Recoupment' provision, the provider must file the redetermination by day 30 from the demand letter date to prevent recoupment on day 41," notes an MLN fact sheet. "If you file an appeal after Day 30 and by Day 120, your MAC is required to stop recoupment subject to limitation on recoupment when it receives and validates your appeal but will not refund money already recouped," the fact sheet advises.

You may want to opt for a rebuttal in certain cases, but know that a rebuttal doesn't dispute an overpayment like an appeal - and the timeline is much shorter. "A rebuttal permits the provider a vehicle to indicate why the proposed recoupment should not be taken at the designated time," explains Part B MAC Noridian in online guidance.

Sometimes Medicare overpayments can cripple providers financially, the rebuttal offers an avenue to explain these types of circumstances. Plus, the rebuttal statement impacts a MAC's decision on "whether to delay or begin recoupment," Noridian indicates.

Critical: You only have 15 days from the date you receive the demand letter from your MAC to submit a rebuttal. Plus, your rebuttal statement needs to explain why recoupment should be stopped and offer documentation and evidence to prove your reasoning, CMS online guidance suggests.

Remember, "the rebuttal process is not an appeal and does not change anything regarding the debt owed," Noridian warns.