

HHC Support Note: Medicare Adjustments

Overview

This document includes information that may be useful when processing Medicare adjustments. The information shown is from the CMS website. You can access the information directly using the following links:

The Medicare Overpayment Collection Process Fact Sheet: <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-NetworkMLN/MLNProducts/downloads/OverpaymentBrochure508-09.pdf>

Medicare Financial Management Manual: <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/fin106c03.pdf>

Website Overpayments: <https://medicare.fcso.com/FAQs/163834.asp>

What is FB on a Remit

According to CMS, an FB is the amount that has been paid on a previously processed claim. This amount does not indicate funds have been withheld from the facility's payment for that remittance advice. It only indicates that a past claim has been adjusted to a different dollar amount. The FB does not change the amount of the payment for that remittance advice. An FB will also display when the facility has more debt than the Medicare claims reimbursement can offset.

What is WO on a Remit

According to CMS, a claim withholding is a withholding of Medicare reimbursement to satisfy claim overpayments. Unfortunately, the withholding amount is not claim-for-claim. Claim payments may be used to satisfy any debt. For example, claim A's reimbursement is not necessarily used to satisfy claim A's debt. Thus, claim A reimbursement could be used to satisfy claim B, C and/or D, if there are sufficient funds. Penalty withholding is non-compliance with Medicare reporting requirements, i.e. failure to file cost reports or credit balance reports timely, etc. Medicare is withholding reimbursement until the provider is compliant.

PLB Definition

90 Used to identify an early payment allowance.

B2 Rebate; Used for the refund adjustment. Code RF appears on an Institutional RA (e.g., B2/RF).

BD Bad Debt Adjustment.

C5 Temporary Allowance, Non-PIP SNF Settlement Payment.

CS Adjustment; child support, alimony, reissued invoice etc.

CV PIP and Non-PIP Capital Pass-through.

DM PIP and Non-PIP Direct Medical Education.

E3 Withholding; Used to reflect a withholding of a set dollar amount or a percentage of a capitation payment, to be paid later, usually as a result of meeting Performance requirements. Code CW appears on an Institutional RA (e.g., E3/CW).

FB Used to reflect a balance being moved forward to a future remit or a balance that is brought forward from a prior Medicare Remittance Advice (RA).

J1 Used when the service provider is also the employer group and they request that monies be applied towards the Group Medical Plan coverage premium instead of the claim; "Suppressed Payment Arrangement".

OA Organ Acquisition; Used to reflect an organ acquisition pass-through. Code KA appears on an Institutional RA (e.g., OA/KA).

OB Offset for Affiliated; Used to reflect an offset for affiliated providers. Code OA appears on an Institutional Part A benefit RA (e.g., OB/OA). Code "OB" appears on an Institutional Part B benefit RA (e.g., OB/OB).

PI Periodic Interim Payment; Used for the PIP lump sum, PIP payment, or adjustment after PIP. Payments are reflected by a negative value; adjustments are reflected by a positive value. Code PL appears on an Institutional RA for "PIP Lump Sum" (e.g., PI/PL), "PP" for "PIP Payment" (e.g., PI/PP), and "PA" for "Adjustment After PIP" (e.g., PI/PA).

RE Return on Equity; Used to reflect a return on equity. Code RE appears on an Institutional RA (e.g., RE/RE). **WO** used when a previous overpayment is recouped from the provider of service. •Used when a reversal and corrected claim are not reported in the same transaction.

WO prevents the prior claim payment from being deducted from the transaction. Used to offset the PLB 72. Used when a reversal and corrected claim are reported and the overpayment is not immediately recouped. **WO** prevents the prior claim payment from being deducted from the transaction.

ZZ Deleted Code; 4/1/2011. Previously used to report hemophilia clotting factor supplement amount until data maintenance approved by ASC X12

3. Select **Accept/Apply Payments** and **Post** the deposit.
4. Track CVD loan repayment in a spreadsheet outside PointClickCare.

Month End Close with Medicare Adjustments

1. Run the **Cash Payment Received Detail Report** as normal. It will not reconcile to your bank statement. The difference should be the items you tracked on your spreadsheet.
2. Make the appropriate journal entries to reconcile cash.

Notes: