



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
BUREAU OF PROGRAM INTEGRITY
DIVISION OF THIRD PARTY LIABILITY
PO BOX 8486
HARRISBURG, PA 17105

March 2, 2011

Dear Medical Assistance Provider:

The Department of Public Welfare (Department) is requesting your assistance in helping the Department recoup monies for services provided to Medical Assistance (MA) recipients for whom Medicare coverage was identified after the service was paid by the MA Program. Medicare should have paid first for the service rather than the MA Program. In accordance with 55 Pa.Code § 1101.64 – Third Party Medical Resources, the MA Program is the payer of last resort.

We have contracted with Health Management Systems, Inc. (HMS) to supplement the Department's Third Party Liability (TPL) recovery activities. After reprocessing MA paid claims for the period February 2010 through July 2010, HMS has identified claims paid by the MA Program that were eligible for Medicare coverage on the dates of service. HMS, on behalf of the Department, intends to recover funds for claims paid by the MA Program that should have been billed to Medicare as the primary payer.

Federal regulations at 42 CFR 433.139 require that the MA Program recover payments when a liable third party is identified. Therefore, unless we receive documentation from your facility to refute the recoupment within sixty (**60**) days from the date of this notice, the Department will automatically recoup the total dollar amount/recoverable funds indicated on the attached listing under the column entitled "Recoup Amount" on a future Remittance Advice (RA). The Medicare timely filing limits for these claims will expire one year from the date of service. Therefore, the Department strongly recommends that you bill these claims to Medicare immediately. A denial associated with the untimely filing of a claim will not be acceptable to refute the recoupment of a claim. Complete instructions for this process are attached. **PLEASE DO NOT SEND CHECKS OR CASH.**

If recoupment is not appropriate, please notify us by following the attached instructions. **PLEASE NOTE: Instructions relating to the submission of coinsurance/deductible claims have changed. Please read and follow the revised instructions carefully.** Enclosed you will find two (2) detailed claims listings and guidelines that must be followed to ensure necessary information is supplied to the Department. These claims must be billed to Medicare. Coverage information has been obtained from various resources. The Department recognizes that circumstances such as pre-existing conditions, exhausted benefits, or other contract limitations may exist, which could result in non-payment by Medicare.

Please note that this letter is being sent to the same location where the payment was generated. If necessary, you should forward this letter to the appropriate department/entity and ensure it is acted upon immediately. It is imperative that the appropriate personnel receive all notification and instructions regarding this recoupment action. When responding to the Department, please include all appropriate correspondence as noted in the attached recoupment guidelines. If you expect a delay in third party processing, you must contact the phone number below **prior** to the deadline to request an extension.

All correspondence, documentation, and inquiries regarding this recoupment notice must be directed to:

HMS, Inc.
Attn: Provider Relations, PA MC
5615 High Point Drive, Suite 100
Irving, TX 75038
1-877-266-1090 (toll free) Fax: (214) 905-2064

We sincerely appreciate your cooperation in this effort to ensure appropriate expenditure of MA funds.

Sincerely,

A handwritten signature in black ink that reads "Carole Procopé". The signature is written in a cursive style with a large initial 'C' and a long horizontal stroke at the end.

Carole Procopé, TPL Division Director

INSTRUCTIONS – PA MEDICAID RECOUPMENT PROJECT

As stated in the attached letter from the Department, HMS is assisting the Department with its TPL recovery program. After reviewing paid claims files, HMS found the claims on the attached listing(s) were eligible for Medicare coverage on the date(s) of service. Please follow the instructions below when billing these claims to Medicare.

1. **DO NOT SEND CHECKS, CASH OR A VOID REQUEST TO THE DEPARTMENT.** There will be no mechanism to stop the recoupment other than those mentioned in these instructions. **Refund checks cannot be accepted.** **Recoverable funds will be recouped on a future Remittance Advice (RA).** **A banner page will accompany the RA to alert you to the recoupment.**
2. If you receive payment equal to or greater than the MA fee you were paid, **DO NOT RESPOND** to this notice. **The Department will process the adjustment to recover funds for any claim for which a response is not received.**
3. Two copies of the list have been provided. Please retain one copy for your records and **return the second to HMS at the address shown below** with the following if you wish to refute the recovery of any claims:
 - A. Any current Medicare Explanation of Benefits (EOB)/denials **must** accompany the listing which your facility receives on these claims; or
 - B. A copy of a MA remittance advice on which a prior recoupment is shown on these claims.
 - C. Please include a contact person along with a telephone number on any reply to this notice.

****Important** - Please make a notation next to each claim that you agree should be recouped by PA Department of Public Welfare with an "R" for recoupment or with the word "Agree" to indicate that you have reviewed these claims and agree that the monies should be recouped by PA Department of Public Welfare.
4. ****REVISED INSTRUCTIONS**** - **Only AFTER the claim is processed and the monies are retracted by the Department,** a new paper claim **and EOB**, not a claim adjustment, should be submitted when the MA Program is responsible for payment of the Medicare deductible or coinsurance charges. The new paper claim must follow all DPW claim submission guidelines. **In addition**, the original ICN **and** the Adjustment ICN (begins with Region Code "54") should be placed on the UB-04 paper claim in Box 80 – Remarks or on the CMS -1500 in space at the bottom of the claim. The Department will process these new paper claims after the recoupment has been completed.
5. Again, **to prevent recoupment**, you should immediately:
 - a. Review your records
 - b. If you have not already done so, bill Medicare immediately and then
 - c. Forward any Medicare denials or other documentation to HMS at the following address within **60 days** from the date of this notice to:

HMS, Inc.
Attn: Provider Relations, PA MC
5615 High Point Drive, Suite 100
Irving, TX 75038
1-877-266-1090

6. PROVIDER/SERVICE LOCATION

The Department will recover payment of these claims from the Provider Number and Service Location listed on the claims report. If you are no longer billing from this service location or want the Department to recover the payment from another service location, please contact the number listed above.