

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-06 Medicare Financial Management	Centers for Medicare & Medicaid Services (CMS)
Transmittal 12509	Date: February 15, 2024
	Change Request 11808

SUBJECT: Updating Chapter 3, Sections 200.5 - 200.8, Limitation on Recoupment; Medicare Overpayments Manual

I. SUMMARY OF CHANGES:

The purpose of this Change Request (CR) is to update sections 200.5 - 200.8, of the CMS Internet Only Manual, which includes instruction on the Administrative Law Judge (ALJ), Third Level of Appeal, and Subsequent Level of Administrative Appeals processes. This CR covers the actions for a valid notification to the ALJ or Subsequent Level Appeal Requests or remand. It explains the full instructions for the ALJ decision on a step-by-step calculation process of the 935 interest to quarterly reporting on the 935 interest payments.

EFFECTIVE DATE: July 1, 2024 - HIGLAS SYSTEM CHANGES

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: July 1, 2024 - Same as the effective date

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	3/Table of Contents
R	3/200/5/Administrative Law Judge (ALJ) Third Level and Subsequent Levels of Administrative Appeals
R	3/200/5.1/Actions on a Valid Notification for the ALJ or Subsequent Level Appeal Request
R	3/200/5.2/Remanded back to the QIC from the ALJ
N	3/200/5.3/Actions to Take After the ALJ or Subsequent Level Appeal Decision
N	3/200/5.4/The Revised Overpayment Letter for ALJ and Subsequent Decisions:
N	3/200/6/Obligation to Pay Interest on Underpayments
R	3/200/7/935 Interest Calculation
N	3/200/7.1/Assessment of 935 Interest
N	3/200/7.2/Interest Rate and Calculation Periods on Recouped Funds for Purposes of Paying 935 Interest
N	3/200/7.3/Calculations for Each 30-Day Period at the ALJ or Subsequent Level Decision
N	3/200/7.4/Timeframes When Calculating the 935 Interest
N	3/200/7.5/Computing 935 Interest on Favorable Decisions from the ALJ and Subsequent Levels
N	3/200/8/Tracking and Report the 935 interest payments

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

**Business Requirements
Manual Instruction**

Attachment - Business Requirements

Pub. 100-06	Transmittal: 12509	Date: February 15, 2024	Change Request: 11808
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SUBJECT: Updating Chapter 3, Sections 200.5 - 200.8, Limitation on Recoupment; Medicare Overpayments Manual

EFFECTIVE DATE: July 1, 2024 - HIGLAS SYSTEM CHANGES

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I. GENERAL INFORMATION

A. Background: The statute requires CMS to change the way it recoups certain overpayments. The limitations on the recoupment of Medicare overpayments are during the first and second levels of appeal only. The provider also has the ability to voluntarily elect, during this time period, a request for an Extended Repayment Plan (ERS) or elect an immediate recoupment. This section provides protection to providers during the initial stages of the appeal process. However, after the first two levels of appeal are completed, contractors shall resume recoupment and normal debt collection processes. Additionally, unless an ERS is established, contractors shall initiate or resume recoupment at 100% after the second level of appeal regardless of any subsequent appeals filed by the provider such as the third level, the ALJ, or subsequent levels, Department Appeals Board or Federal Court. Contractors shall continue to recoup at 100% until the debt is satisfied in full.

The payment of Section 935(f)(2), of the Social Security Act, interest is only applicable to overpayments recovered through involuntary recoupment under the limitation on recoupment provisions. Interest is not payable on the principal amount recouped on voluntary payments such as payments from existing ERS, immediate recoupment prior to the Qualified Independent Contractor (QIC) decision, payment suspensions and check payments.

B. Policy: Section 1893(f)(2)(a) of the Social Security Act and the provision in the Medicare Prescription Drug, Improvement and Modernization Act of 2003 prohibits recouping Medicare overpayments from a provider or supplier that seeks a reconsideration from a QIC. This provision changed how interest is to be paid to a provider or supplier whose overpayment is reversed at subsequent administrative or judicial levels of appeal. The final rule defines the overpayments to which the limitation applies, how the limitation works in concert with the appeals process, and the change in our obligation to pay interest to a provider or supplier whose appeal is successful at levels above the QIC. This section also limits recoupment of Medicare overpayments when a provider or supplier seeks a redetermination until a redetermination decision is rendered.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DM E MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
11808.1	Contractors shall update the systems upon receipt of an	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DM E MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
11808.2	Contractors shall update the accounts receivable back to the Reconsideration appeal status when notified of the ALJ remand.	X	X	X	X					
11808.2.1	Contractors shall update the Accounts Receivable (AR) back to the Reconsideration appeal status when notified of the ALJ remand. Upon receipt of the QIC decision for the ALJ remand, the contractors shall update the AR status to resume recoupment s soon as possible but no later than 30 calendar days from the notification of the remand of an unfavorable decision. [X	X	X	X					
11808.2.1.1	HIGLAS shall start AR/AP netting recoupment when AR status code is updated to 935-ALJ Remand – Denied.									HIGL AS
11808.2.2	Contractors shall continue with the monthly payments as scheduled during the review period when the provider is under an ERS agreement. Refer to §200.8 below and Chapter 4 § 50, ERS instructions.	X	X	X	X					
11808.3	HIGLAS shall start AR/AP (Accounts Payable) netting recoupment when AR status is upgraded to 935-DAB or 935-FED.									HIGL AS
11808.4	Contractors shall perform the following steps for Fully and Partially Favorable decisions.	X	X	X	X					
11808.4.1	Contractors shall use the following suppression code	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DM E MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	<p>when adjusting the claim (claim history) to prevent adjustments from going to HIGLAS.</p> <ul style="list-style-type: none"> • Part B uses the ‘Y’ suppression on the adjusted claim to prevent the adjustment from going to HIGLAS. • Part A uses the ‘A’ tape to tape flag on the adjusted claim to prevent the adjustment from going to HIGLAS. • DMAC's use “P” and “B” adjustment force codes to the adjusted claim in VMS to prevent the adjustment from going to HIGLAS. 									
11808.4.2	<p>Contractors shall recalculate the overpayment and update the AR/s in HIGLAS and create a manual invoice to refund the provider within 30 calendar days. This timeframe begins at the final claims adjustment date to the entry date of the manual invoice.</p> <p>Note: With the exception of extrapolations, the timeframe is 30 calendar days from the receipt of the recalculation amounts. The process begins once the appeal decision is received, the decision and claim information is sent to the appropriate contractor</p> <p>for the recalculation of the extrapolation. Once the recalculation is completed and returned, the MAC effectuates the decision i.e., adjusting the balance of the AR in HIGLAS,</p>	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DM E MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	<p>issuing a recalculation letter or issuing a refund as needed.</p> <p>Note: For extrapolations, the timeframe is 30 calendar days from the receipt of the Unified Program Integrity Contractor (UPIC) and the Office of the Inspector General (OIG) recalculations.</p>									
11808.4.3	<p>Contractors shall issue a Revised Overpayment Demand Letter when there is a new revised amount, and an open balance remains.</p> <p>a. There may be circumstances when a Fully Favorable decision outcome creates a remaining balance.</p> <ul style="list-style-type: none"> If this occurs contractors shall need to send a Revised Overpayment Demand Letter to address this action. <p>b. When the intent to refer letter (ITR) was previously sent:</p> <ul style="list-style-type: none"> Include language that refers the provider back to the initial ITR. <p>c. For Fully Favorable decisions without an open balance remaining, the Remittance Advice (RA) shall be acceptable in place of additional written notices.</p> <p>d. Follow the same instructions as in Publication 100.06, Chapter 4 to proceed with</p>	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DM E MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	referring the remaining balance to Treasury.									
11808.5	<p>Contractors shall use Exhibit 5 as an example and at their discretion change the language to address the overpayment accordingly, as needed.</p> <p>Use the appropriate appeal level within the content of the letter:</p> <ol style="list-style-type: none"> 1. Medicare Administrative Law Judge (ALJ) 2. Departmental Appeals Board (DAB) 3. Appeals Council 4. Federal Court levels. 	X	X	X	X					
11808.6	Contractors shall update the status of the AR and send the Revised Overpayment letter on open balances only after a Fully Unfavorable decision within 30-calendar days starting from the receipt date available in the MAS.	X	X	X	X					
11808.6.1	<p>Contractors shall be able to access reports in MAS, which identifies the unfavorable appeal decisions.</p> <ul style="list-style-type: none"> • All ALJ level information in MAS is available once the ALJ level record is closed and ECAPE close web service has transferred data to MAS. 	X	X	X	X					
11808.6.2	Contractors shall refer any outstanding debt to Treasury within 30 calendar days following the unfavorable decision notification for the ALJ or subsequent levels based on	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DM E MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	the ITR previously sent.									
11808.7	Contractors shall follow the instruction outlined in Publication 100-06, Chapter 4 § 30.1 and 42 CFR 405.378 when determining payment of late interest for underpayments that are delayed.	X	X	X	X					
11808.8	<p>Contractors shall calculate the 935 interest on involuntary recoupments using the date the amount was recouped to the date of the decision.</p> <ol style="list-style-type: none"> 1. The payment of 935 interest is only applicable to overpayments subject to the limitation on recoupment provisions. <ul style="list-style-type: none"> • Interest is only payable on the recouped amounts applied to the principal balance prior to the decision. 	X	X	X	X					
11808.8.1	<p>Contractors shall not include any voluntary payments applied to the principal balance for the purpose of calculating the 935 interest such as but not limited to:</p> <ol style="list-style-type: none"> 1. Amounts from a check, 2. Amounts applied (recouped or check) due to an ERS agreement, 3. Amounts applied due to providers on an Immediate Recoupment Agreement 	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DM E MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
11808.8.2	<p>Contractors shall have 30 calendar days to calculate and refund the 935 interest to the provider.</p> <ul style="list-style-type: none"> Calculate and create a manual invoice in HIGLAS to refund the 935 interest This calculation begins from the finalized claim adjustment date or the receipt date of the extrapolated recalculation to the entry date of the manual invoice. Shall calculate and refund the 935 interest from the final claim adjustment date in accordance with 42 CFR § 405.378 j (4). 	X	X	X	X					
11808.8.3	Contractors shall perform the following steps for Fully and Partially Favorable decisions.	X	X	X	X					
11808.9	Contractors shall have an additional 15 calendar days (a total of 45 calendar days) for all extrapolation overpayments to calculate and refund 935 interest to the provider.	X	X	X	X					
11808.10	Contractors shall have an additional 15 calendar days (a total of 45 calendar days) when the decision is on individual line/s to calculate and refund 935 interest to the provider.	X	X	X	X					
11808.11	Contractors shall use the interest rate in effect from the ALJ	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DM E MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	decision date or a subsequent level. Interest paid under the 935 provisions (is only applicable) after the ALJ or subsequent appeal levels resulted in a full or partial reversal of the prior decision on retained recouped funds applied to the principal balance only.									
11808.12	<p>Contractors shall use the following three elements when calculating 935 interest: 1) Time; 2) Rate; and 3) Amount.</p> <p>1. TIME:</p> <ul style="list-style-type: none"> To determine the total calendar days by calculating the days duration, starting from the decision date and counting back to the recoupment date. <p>1. Divide the number of calendar days by 30 to compute the number of 30-day periods.</p> <p>b. Calculate each full 30-calendar day period starting from the recoupment date prior to the decision date for the purpose of calculating the 935 interest.</p> <ul style="list-style-type: none"> Calculate each full 30-calendar day period starting from the recoupment date prior to the decision date. (Excluding any recoupments (involuntary) and voluntary payments (check) applied to an 	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DM E MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	<p>ERS, Immediate Recoupment prior to the QIC decision and any checks received and applied to an overpayment for the purpose of calculating the 935 interest.)</p> <p>c. The interest will not be payable for any periods of less than 30-calendar days in which we had possession of the recouped funds.</p>									
11808.12.1	<p>Contractors shall use step 2 as part of the 3 elements when calculation 935 interest.</p> <p>2. RATE:</p> <p>Use the Annual Rate of interest in effect from the ALJ decision date or subsequent level decision date to calculate the 935 interest.</p> <ol style="list-style-type: none"> 1. Convert annual interest rate to a monthly interest rate. 2. For example: The Rate of Interest as of January 6, 2014, is 10.125%. 3. Convert Rate of Interest to a monthly rate by dividing the interest rate by 12. 	X	X	X	X					
11808.12.2	<p>Contractors shall use step 3 as part of the 3 elements when calculating the 935 interest.</p> <p>3. AMOUNT:</p> <p>The contractor shall calculate the favorable recouped amount/s applied to the principal balance</p>	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DM E MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	<p>only. The recouped amounts applied to the principal balance from involuntary collections shall be used to compute the 935-interest earned prior to the ALJ or subsequent levels decision date.</p> <ol style="list-style-type: none"> 1. Recouped monies applied to interest shall not be included in determining the Recoupment requested by the provider or a check) shall be excluded for purposes of the calculation. 2. Only those principal funds recouped via withholding (e.g. payments recouped due to a defaulted ERS) are included. 3. Payments made under an ERS or other voluntary payments (e.g., Immediate Recoupment requested by the provider or a check) shall be excluded for purposes of the calculation. <p>Please Note: Any monies recouped (due to an immediate recoupment request) after the QIC decision is considered to be involuntary.</p>									
11808.12.3	<p>Contractors shall follow the instructions below for multiple recoupments.</p> <ol style="list-style-type: none"> 1. When there are multiple recoupments, 935 interest shall be calculated separately for 	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DM E MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	<p>each recoupment action; and</p> <p>2. Once interest is calculated separately, the amount shall be aggregated to compute the total amount due to the provider.</p> <p>Note: Tolling of days is when providers request additional time to submit the appeal request after the normal timeframe, or include additional evidence to submit for the review to be suspended or delay review. If the tolled days are clearly identified in the decision letter by the ALJ or higher, contractors should follow 42 CFR 405.378 (j)(3)(iv), 42 CFR 405.1014, and 42 CFR 405.1106 and exclude those days for purposes of calculating the 935 interest.</p>									
11808.13	<p>Contractors shall report 935 interest paid each calendar quarter based on an ALJ or subsequent level decision for fully and partially favorable decisions that were reversed from the previous decision.</p> <ul style="list-style-type: none"> Report 935 Interest payment amounts on all provider types. When a provider has more than one decision, those amounts shall be aggregated. <p>Report shall be sent electronically to: Medicareoverpayments@cms.hhs.gov.</p>	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DM E MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	The contractor shall have 30 calendar days from the end of the calendar quarter to submit the report to CMS.									

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
11808.14	MLN Article: CMS will make available an MLN Matters provider education article that will be marketed through the MLN Connects weekly newsletter shortly after the CR is released. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1, instructions for distributing MLN Connects information to providers, posting the article or a direct link to the article on your website, and including the article or a direct link to the article in your bulletin or newsletter. You may supplement MLN Matters articles with localized information benefiting your provider community in billing and administering the Medicare program correctly. Subscribe to the “MLN Matters” listserv to get article release notifications, or review them in the MLN Connects weekly newsletter.	X	X	X	X	

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 0

Medicare Financial Management Manual

Chapter 3 - Overpayments

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(Rev.12509; Issued:02-15-24)

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200.5 - *Administrative Law Judge (ALJ) Third Level and Subsequent Level of Appeals*

(Rev.12509; Issued:02-15-24; Effective: 07-01-24; Implementation: 07-01-24)

Whether or not the provider subsequently appeals the overpayment to the ALJ, *Departmental of Appeals Board* (DAB), or Federal court, contractors shall continue to recoup until the debt is satisfied in full. Recoupment remains in effect as provided in CFR 42 §405.373 (e). Refer to Publication 100-04, Medicare Claims Processing Manual, Chapter 29 §330-330.2. *If an*

overpayment determination subject to the limitation on recoupment under 42 CFR §§ 405.379 and 405.378 is reversed in whole or in part on funds recouped (excluding voluntary payments, ERS collections, and immediate recoupments requested by the provider or supplier prior to the Qualified Independent Contractor decision), the 935 interest shall be paid to the provider or supplier.

A. Glossary:

Reversal - *Although appeals in the administrative appeals process are de novo proceedings (i.e., a new determination/decision is made at each level), Medicare uses this term when the new determination/ decision is more favorable to the appellant than the prior determination/ decision, even if some aspects of the prior determination/decision remain the same.*

Decisions and Determinations - *If a Medicare appeal request does not result in a dismissal, adjudication of the appeal results in either a “determination” or “decision.” There is no apparent practical distinction between these two terms although applicable regulations use the terms in distinct contexts. A decision that is reopened and thereafter revised is called a “Revised determination.”*

Effectuate - *This means for the MAC to issue a payment or change liability.*

Affirmation - *A term used to denote that a prior claims determination has been upheld by the current claims adjudicator. Although appeals through the OMHA level are de novo, CMS and its contractors often use this term when an adjudicator reaches the same conclusion as that in the prior determination, even though he/she is not bound by the prior determination.*

Office of Medicare Hearings and Appeals (OMHA) - *The Office of Medicare Hearings and Appeals is responsible for level 3 of the Medicare claims appeal process and certain Medicare entitlement appeals and Part B premium appeals. At level 3 of the appeals process, an appellant may have a hearing before an OMHA ALJ, or review by an attorney adjudicator.*

Administrative Law Judge (ALJ) - *Adjudicator employed by the Department of Health & Human Services (HHS), Office of Medicare Hearings and Appeals (OMHA) that holds hearings and issues decisions related to level 3 of the appeals process.*

Department of Appeals Board (DAB) Review - *The DAB provides an impartial, independent review of disputed decisions in a wide range of Department of Health and Human Services programs under more than 60 statutory provisions.*

Appeals Council - *The Medicare Appeals Council (herein Appeals Council), a division within the Departmental Appeals Board provides the final level of administrative review of claims for entitlement to Medicare and individual claims for Medicare coverage and payment.*

Remand - *An action taken by an adjudicator to vacate a lower-level appeal decision, or a portion of the decision, and return the case, or a portion of the case, to that level for a new decision.*

Note: *For additional information go to Publication 100.04, Medicare Claims Processing Manual Chapter 29 - Appeals of Claims Decisions*

200.5.1- Actions on a Valid Notification for the ALJ or Subsequent Level Appeal Request

(Rev.12509; Issued:02-15-24; Effective: 07-01-24; Implementation: 07-01-24)

A. When the Provider Appeals to the ALJ and Higher:

1. Contractors shall update the systems upon receipt of an authorized request and/or a notification when the Provider appealed to the ALJ and higher.

a. Contractors shall accept written notification such as but not limited to:

- Copy of receipt from the courts,*
- Copy of the tracking number from the post office or a fax cover sheet,*
- Email with scanned documents*
- Tracking numbers from UPS or FedEx as legitimate proof to update the debts to the appeal status.*
- Receipt letter from the ALJ*

2. Contractors shall recall the overpayment if referred to Treasury after receiving valid proof of the appeal request and update all systems to the appeal status.

200.5.2- Remanded Back to the QIC from the ALJ

(Rev.12509; Issued:02-15-24; Effective: 07-01-24; Implementation: 07-01-24)

Remanding an appeal case is an action taken by an adjudicator to vacate a lower level appeal decision, or a portion of the decision, and return the case, or a portion of the case, to that level for a new review and decision. See 42 Code of Federal Regulations (CFR) Section 405.1056 for additional discussion on this process.

A. Contractors shall update the Accounts Receivable (AR) back to the Reconsideration appeal status when notified of the ALJ remand. Upon receipt of the QIC decision for the ALJ remand, the contractors shall update the AR status to resume recoupment as soon as possible but no later than 30 calendar days from the notification of the remand of an unfavorable decision.

- Contractors shall continue with the monthly payments as scheduled during the review period when the provider is under an ERS agreement. Refer to §200.8 below and Chapter 4 § 50, ERS instructions.*

200.5.3- Actions to Take After the ALJ or Subsequent Level Appeal Decision ***(Rev.12509; Issued:02-15-24; Effective: 07-01-24; Implementation: 07-01-24)***

Contractors work the debt immediately upon receipt of the effectuation notice from the Administrative Qualified Independent Contractor (QIC) or other notification of the Decision outcome to complete the computation and the effectuation, as applicable. Contractors adjust the claim(s) in the claims history system for the finalized claim payment, effectuate, and refund the amounts recouped on the favorable claims. This process is completed within 30 calendar days starting from the final determination (Final claims adjustment date) to the manual invoice entry date in HIGLAS.

Contractors shall perform the following steps after receipt of the effectuation notice from the Administrative QIC related to fully and partially favorable decisions:

1. Contractors shall use the following suppression code when adjusting the claim (claim history) to prevent adjustments from going to HIGLAS.

- Part B uses the 'Y' suppression on the adjusted claim to prevent the adjustment from going to HIGLAS.
- Part A uses the 'A' tape to tape flag on the adjusted claim to prevent the Adjustment from going to HIGLAS.
- DMAC's use "P" and "B" adjustment force codes to the adjusted claim in VMS To prevent the adjustment from going to HIGLAS.

2. Effectuate any overpayments or refunds after the contractor computes the amount for Any adjustments or payment to the provider. For additional guidelines refer to Chapter 29, Section 330.4 - Effectuation Time Limits & Responsibilities.

3. Recalculate the overpayment and update the AR/s in HIGLAS and create a manual invoice to refund the provider within 30 calendar days. This timeframe begins at the final claims adjustment date to the entry date of the manual invoice.

Note: With the exception of extrapolations, the timeframe is 30 calendar days from the receipt of the recalculation amounts. The process begins once the appeal decision is received, the decision and claim information are sent to the appropriate contractor for the recalculation of the extrapolation. Once the recalculation is completed and returned, the MAC effectuates the decision i.e., adjusting the balance of the AR in HIGLAS, issuing a recalculation letter or issuing a refund as needed.

Note: For extrapolations, the timeframe is 30 calendar days from the receipt of the Unified Program Integrity Contractor (UPIC) and the Office of the Inspector General (OIG) recalculations.

4. Issue a Revised Overpayment Demand Letter when there is a new revised amount, and an open balance remains.

- a. There may be circumstances when a Fully Favorable decision outcome creates a remaining balance.
 - If this occurs contractors shall need to send a Revised Overpayment Demand Letter to address this action.
- b. When the intent to refer letter (ITR) was previously sent:
 - Include language that refers the provider back to the initial ITR.
- c. For Fully Favorable decisions without an open balance remaining, the Remittance Advice (RA) shall be acceptable in place of additional written notices.
- d. Follow the same instructions as in Publication 100.06, Chapter 4 to proceed with referring the remaining balance to Treasury.

3. Contractors shall use Exhibit 5 as an example and at their discretion, change the language to address the overpayment accordingly, as needed.

Use the appropriate appeal level within the content of the letter:

- a. Medicare Administrative Law Judge (ALJ)
- b. Departmental Appeals Board (DAB)
- c. Federal court levels.

C. Fully Unfavorable Appeal Decision:

1. When the ALJ issues an unfavorable decision:

a. Contractors shall update the status of the AR and send the Revised Overpayment letter on **open balances only** after a Fully Unfavorable decision within 30-calendar days starting from the receipt date available in the MAS.

b. Contractors shall be able to access reports in MAS, which identifies the unfavorable ALJ appeal decisions.

- All ALJ level information in MAS is available once the ALJ level record is closed and ECAPE close web service has transferred data to MAS.

2. Contractor shall refer any outstanding debt to Treasury within 30 calendar days following the unfavorable decisions notifications for the ALJ or subsequent levels based on the ITR previously sent.

200.5.4- The Revised Overpayment Letter for ALJ and Subsequent Decisions: (Rev.12509; Issued:02-15-24; Effective: 07-01-24; Implementation: 07-01-24)

Exhibit 5:

Date:

Original Demand Letter Number:

Reference Number:

Provider Name:

This letter is in reference to the [Administrative Law Judge or subsequent levels] decisions on [DATE], for the overpayment, [AMOUNT] issued to you on [DATE OF DEMAND]. **According to our records, the new revised overpayment amount is [AMOUNT].** Following the final decision by the ALJ, when the debt has not been paid in full, we will begin Recoupment immediately whether or not you appeal to the next level. Interest continues to accrue and will be assessed for the total amount due in accordance with 42 CFR § 405.378.

Rebuttal Process:

Under our existing regulations 42 CFR Sections 405.374, **within 15 days from the date of this letter**, providers and suppliers will have the opportunity to submit a rebuttal statement. The rebuttal process provides the debtor the opportunity before the suspension, offset, or recoupment takes effect, to submit any statement (to include any pertinent information) as to why it should not be put into effect on the date specified in the notice. A rebuttal is not intended to request a review of supporting medical documentation nor to express disagreement with the overpayment decision. A rebuttal shall not duplicate the appeal process. This is not an appeal of the overpayment determination. Our office will advise you of our decision 15 days from the mailroom stamped receipt date of your request.

The rebuttal statement does not cease recoupment activities consistent with Section 935(f)(2) of The Medicare Modernization Act (MMA).

If you wish to appeal this decision:

You may file an appeal request with the Medicare Appeals Council, the fourth level of administrative appeal, following the instructions included in the ALJ decision (see also, 42 CFR §§405.1100-1130). Recoupment proceeds regardless of the filing for a Council review. If there is no confirmation on the next appeal request, this debt may be referred to Treasury.

If you have already sent payment, we thank you and ask that you disregard this letter. If you are unable to repay the amount in full, please visit our website for instructions on an Extended Repayment Schedule (www.contractor.com).

Please refer to your Initial Demand and Intent to Refer letters for any other information not disclosed in this letter.

*Thank you
Contractor Name
xxx-xxx-xxxx*

***200.6 - Obligation to Pay Interest on Underpayments Owed to Providers
(Rev.12509; Issued:02-15-24; Effective: 07-01-24; Implementation: 07-01-24)***

Medicare has the obligation to pay providers interest if the reversed overpayment at any level of the administrative appeal process is not effectuated timely. Medicare will pay interest on the underpayment for each full 30-day period a payment remains delayed.

Note: This late (Penalty) interest is not to be mistaken for the 935 interest. Contractors shall follow the instruction outlined in Publication 100-06, Chapter 4 § 30.1 and 42 CFR 405.378 when determining payment of late interest for underpayments that are delayed.

***200.7 - 935 Interest Calculation
(Rev.12509; Issued:02-15-24; Effective: 07-01-24; Implementation: 07-01-24)***

Section 200.7.1 - 2007.5 instructs contractors how to calculate the 935 interest.

***200.7.1 - Assessment of 935 Interest
(Rev.12509; Issued:02-15-24; Effective: 07-01-24; Implementation: 07-01-24)***

The limitation on recoupment provisions amended the way interest may be paid to a provider whose overpayment determination is overturned in the administrative appeals process subsequent to the second level of appeal (Reconsideration decision), or following judicial review in a federal court.

Contractors shall calculate the 935 interest on involuntary recoupments using the date the amount was recouped to the date of the decision.

A. The payment of 935 interest is only applicable to overpayments subject to the limitation on recoupment provisions.

- Interest is only payable on the recouped amounts applied to the principal balance*

prior to the decision.

B. Contractors shall not include any voluntary payments applied to the principal balance for the purpose of calculating the 935 interest such as but not limited to:

- a. Amounts from a check,*
- b. Amounts applied (recouped or check) due to an ERS agreement,*
- c. Amounts applied due to providers on an Immediate Recoupment Agreement*

200.7.2- Interest Rate and Calculation Periods on Recouped Funds for Purposes of Paying 935 Interest

(Rev.12509; Issued:02-15-24; Effective: 07-01-24; Implementation: 07-01-24)

We will pay simple interest rather than compound interest, and **we will not pay interest on interest. This mirrors the manner in which we assess interest against providers.** Monies we recouped and applied to interest *are applied to outstanding debts as needed*, or refunded and not included in the “amount recouped” for purposes of calculating any interest due the provider. The periods of recoupment will be calculated in full 30-day periods; and interest **will not** be payable for any periods of less than 30-days in which we had possession of the recouped funds.

200.7.3 - Calculations for Each 30-Day Period at the ALJ or Subsequent Level Decision

(Rev.12509; Issued:02-15-24; Effective: 07-01-24; Implementation: 07-01-24)

Interest shall be calculated for each full 30-day period using the interest Rate in Effect on the ALJ decision date or any subsequent level decision date in accordance with 42 CFR 405.378 (j)(2)(iii).

200.7.4- Timeframes When Calculating the 935 Interest on Favorable Decisions.

(Rev.12509; Issued:02-15-24; Effective: 07-01-24; Implementation: 07-01-24)

A. Fully and Partially Favorable Decisions:

1. Upon receipt of the Administrative QIC effectuation notice, contractors shall have 30 calendar days to calculate and refund the 935 interest to the provider.

- Calculate and create a manual invoice in HIGLAS to refund the 935 interest*
- This calculation begins from the finalized claim adjustment date or the receipt date of the extrapolated recalculation to the entry date of the manual invoice.*
- Shall calculate and refund the 935 interest from the final claim adjustment date in accordance with 42 CFR § 405.378.*

Note: On Partially Favorable calculations, if the decision by the ALJ, Medicare Appeals Council, Federal district court or a subsequent Federal reviewing court, reverses the overpayment determination, as modified by prior levels of administrative or judicial review, in part, the Medicare contractor in effectuating the decision may allocate recouped monies to that part of the overpayment determination affirmed by the decision. Interest will be paid to the provider or supplier on recouped amounts that remain after this allocation in accordance with paragraph (j) in 42 CFR §405.378.

2. Contractors should review the ALJ, and subsequent levels Notice of decision to ensure all dates agree with the Administrative QIC Effectuation Notice and/or in the MAS.

D. Extrapolated overpayments with a Favorable Decisions:

- Contractors shall have an additional 15 calendar days (a total of 45 calendar days) for all extrapolation overpayments to calculate and refund 935 interest to the provider.

E. Line by Line (Claims with multiple lines of services) Partially Favorable Decision:

- Contractors shall have an additional 15 calendar days (a total of 45 calendar days) when the decision is on individual line/s to calculate and refund 935 interest to the provider.

Note: Office of Medicare Hearings and Appeals (OMHA) has developed a system similar to MAS called **Electronic Case Adjudication and Processing Environment (ECAPE)**. Due to system limitations, OMHA made changes to the decision letters and processes related to the decision date.

- a. On/after May 2018, OMHA's decision letters no longer include a date of decision, only the wet signature of the ALJ.
- b. The 'decision date' is captured in the Notice of Decision.
- c. The date captured in the Notice of Decision will match the date captured in MAS.

For purposes of calculating interest for 935 Overpayments, contractors utilizing MAS shall use the date captured in the Notice of Decision for OMHA decisions after May 2018.

Website Information

The OMHA ALJ Appeal Status Information System serves to allow appellants to check the status of appeals submitted to OMHA.

<https://www.hhs.gov/about/agencies/omha/filing-an-appeal/appeals-status-lookup/index.html>

<https://www.hhs.gov/about/agencies/omha/index>.

200.7.5 - Computing 935 Interest on Favorable Decisions from the ALJ And Subsequent Levels

(Rev.12509; Issued:02-15-24; Effective: 07-01-24; Implementation: 07-01-24)

Interest shall be calculated for each full 30-day period on the amounts applied (by recoupment "involuntary" on or after day 41) to the principal balance. Contractors shall use the interest rate in effect from the ALJ decision date or a subsequent level. **Interest paid under the 935 provisions (is only applicable) after the ALJ or subsequent appeal levels resulted in a full or partial reversal of the prior decision on retained recouped funds applied to the principal balance only.**

A. Elements of 935 Interest Calculation: Contractors shall use the following three elements when calculating 935 interest: 1) Time; 2) Rate; and 3) Amount.

1. TIME:

To determine the total calendar days by calculating the days duration, starting from the decision date and counting back to the recoupment date.

- a. Divide the number of calendar days by 30 to compute the number of 30-day periods.
- b. Calculate each full 30-calendar day period starting from the recoupment date Prior to the decision date for the purpose of calculating the 935 interest.
 - Calculate each full 30-calendar day period starting from the recoupment date prior to the decision date. (Excluding any recoupments (involuntary) and voluntary payments (check) applied to an ERS, Immediate Recoupment prior to the QIC decision and any checks received and applied to an overpayment for the purpose of calculating the 935 interest.)
- c. The interest will not be payable for any periods of less than 30-calendar days in which we had possession of the recouped funds.

2. RATE:

Use the Annual Rate of interest in effect from the ALJ decision date or subsequent level decision date to calculate the 935 interest.

- a. Convert annual interest rate to a monthly interest rate.
- b. For example: The Rate of Interest as of January 6, 2014, is 10.125%.
- c. Convert Rate of Interest to a monthly rate by dividing the interest rate by 12.

3. AMOUNT:

The contractor shall calculate the favorable recouped amount/s applied to the principal balance only. The recouped amounts applied to the principal balance from involuntary collections shall be used to compute the 935-interest earned prior to the ALJ or subsequent levels decision date.

- a. Recouped monies applied to interest shall not be included in determining the 935 interest.
- b. Only those principal funds recouped via withholding (e.g. payments recouped due to a defaulted ERS) are included.
- c. Payments made under an ERS or other voluntary payments (e.g., Immediate Recoupment requested by the provider or a check) shall be excluded for purposes of the calculation.

Please Note: Any monies recouped (due to an immediate recoupment request) after the QIC decision is considered to be involuntary.

B. Multiple Recoupments: For scenarios involving multiple recoupments.

- a. When there are multiple recoupments, 935 interest shall be calculated separately for each recoupment action; and

b. Once interest is calculated separately, the amount shall be aggregated to compute the total amount due to the provider.

Note: Tolling of days is when providers request additional time to submit the appeal request after the normal timeframe, or include additional evidence to submit for the review to be suspended or delay review.

If the tolled days are clearly identified in the decision letter by the ALJ or higher, contractors should follow 42 CFR 405.378 (j)(3)(iv), 42 CFR 405.1014, and 42 CFR 405.1106 and exclude those days for purposes of calculating the 935 interest.

C. Calculation Examples:

1. Fully Favorable Example A:



<i>% Annual Interest Rate for an ALJ or subsequent level: 10.125%</i>				
<i>Recoupment Amounts Applied to Principal balance</i>	<i>Recoup Date to ALJ Date or higher levels</i>	<i>Rate of Interest from ALJ or higher levels Decision Date</i>	<i>Length of Time Money Held</i>	<i>Interest Owed to Provider</i>
\$ 9062	03/07/12- 01/06/14	10.125%	671 Julian Days (22 months)	\$1,682.13
\$ 5000	05/18/12-01/06/14	10.125%	599 Julian Days (19 months) 20 days- less than 30 days is dropped	\$801.56
\$ 25,000	08/08/12-01/06/14	10.125%	517 Julian Days (17 months)	<u>\$3,585.94</u>
<i>Total 935 Interest owed</i>				<i>\$6,069.63</i>
<i>Note:</i> When there is less than 30 full days do not use the remaining days for calculation purposes. In the second example above, the remaining "20 days" would not be included for the calculation, only the 19 months is used because there were 19 – full 30-day periods.				
<i>Time x Rate x Amount = 935 Interest</i>				
1. 22 mos. x (.10125 ÷12) x \$ 9062.00 = \$ 1,682.13				
2. 19 mos. x (.10125 ÷12) x \$ 5000.00 = \$ 801.56				
3. 17 mos. x (.10125 ÷12) x \$ 25,000.00 = <u>\$ 3,585.94</u>				
<i>Total 935 Interest Amount owed to Provider \$ 6,069.63</i>				

2. Partially Favorable Example B:

935 ALJ Interest Calculation Sheet							
Date	09/27/21			Clerk ID	C19		
Provider #	45213						
AR Transaction #	599619157660006						
AXIOMOATS Case #	887167						
Original OP Amount	\$ 1,737.81						
ALJ Revised OP Amount	\$ 12.13						
Interest Rate on Date of ALJ Decision or Revised Demand			9.625%				
Date of ALJ Decision (No OP) or Revised Demand Date (Revised OP Amt):	09/13/21			ALJ Decision:	Partially Favorable		
Date of FCSO Receipt:	09/15/21			Date claim adjustment finalized:	09/23/21		
Was provider on immediate recoupment at the time of any of the recoupments? Y or N	No						
Note: If Yes, then interest is payable only after 31-days of from the QIC decision date or revised Demand Date							
Offset Date	Remaining Principal Balance	Involuntary Offset Amt	935 Principal Amount	# of Julian Dates	30 Day Period	Rounded 30 Day Period	935 Interest Amount
01/30/2020	(1,725.68)	\$1,725.68	\$1,725.68	592	19.733	19	\$262.99
		\$1,725.68	\$1,725.68				\$262.99

3. Partially Favorable Example C:

<p>Original Overpayment Principal amount \$ 4,608.01 ALJ Partially favorable amount - <u>\$ 3,232.80</u> <u>Revised Overpayment Principal balance \$ 1,375.21</u></p>							
Recoupment Date	Principal Amount Recouped	Amt applied to unfavorable revised O/P	935 eligible Principal Balance	ALJ Decision date	# of 30-day Period	% rate	935 interest refund amt.
06/05/12	\$1,500.00	\$1,500.00	(0)	07/20/15	0		\$0
06/06/12	\$700.00	\$75.21 Line by Line Partial	624.79	07/20/15	38	9.75	\$192.90
06/07/12	\$832.80	0	\$832.80	07/20/15	37	9.75	\$250.36
07/05/12	\$100.00	0	\$100.00	07/20/15	37	9.75	\$30.06
07/28/12	\$100.00	0	\$100.00	07/20/15	36	9.75	<u>\$29.25</u>
Time x Rate x Amount = 935 Interest							
<p>1. 38 mos. x (.0975÷12) x \$ 624.79 = \$ 192.90 2. 37 mos. x (.0975÷12) x \$ 832.80 = 250.36 3. 37 mos. x (.0975÷12) x \$ 100.00 = 30.06 4. 36 mos. x (.0975÷12) x \$ 100.00 = <u>29.25</u> Total 935 Interest Payment \$ 502.57</p>							

4. Extrapolation Partially Favorable Example D:

ALJ 935 INTEREST CALCULATION

Provider Name:		Total Principal Collections:	1135303.47
AR Number:		New Overpayment Amount	142249.17
Decision Type:	Partially Favorable	Less: Suspension Release	0
Original Overpayment Amount:	6,801,349.00	Less: Payments made by Check	0
Revised Overpayment Amount:	142,249.17	Less: Loan Payments	731549.77
Revised Accrued Interest:	2,400.46	Less: Previous Refunds	2954.14
ALJ Decision Date:	03/26/2019	Less: Favorable Overpayments	258550.39
Revised Overpayment Date:	07/25/2019	Total Principal 935 Interest Eligible:	258550.39
Interest Rate:	10.75%	Total Principal 935 used to Calculate 935:	yes
935 Interest Due:	138,970.84		

Comments:	
Completed By:	
Reviewed By:	
Management Approval - Partial:	

Recoupment date	Principal Recoupment Amount	Interest Recoupment Amount	935 Interest Eligible Collection	Full 30 Day Cycles	935 Interest
03/26/2014	\$ -	\$92,137.13	No	60	-
03/26/2014	\$ -	\$18,260.32	No	60	-
03/26/2014	\$142,249.17	\$ -	No -ck	60	-
03/26/2014	\$2,954.14	\$ -	No -ck	60	-
03/26/2014	\$258,550.39	\$ -	Yes	60	\$138,970.84
04/01/2014	\$6,728.34	\$ -	Loan-voluntary	60	-
05/01/2014	\$6,786.12	\$ -	Loan-voluntary	63	-
05/01/2014	\$ -	\$53,213.88	Loan-voluntary	63	-
06/01/2014	\$6,843.38	\$ -	Loan-voluntary	62	-
06/01/2014	\$ -	\$53,156.62	Loan-voluntary	62	-
07/01/2014	\$6,901.12	\$ -	Loan-voluntary	61	-
07/01/2014	\$ -	\$53,098.88	Loan-voluntary	61	-
08/01/2014	\$6,959.35	\$ -	Loan-voluntary	60	-
08/01/2014	\$ -	\$53,040.65	Loan-voluntary	60	-
09/01/2014	\$7,018.07	\$ -	Loan-voluntary	59	-
09/01/2014	\$ -	\$52,981.93	Loan-voluntary	59	-
10/01/2014	\$7,077.28	\$ -	Loan-voluntary	58	-
10/01/2014	\$ -	\$52,922.72	Loan-voluntary	58	-
11/01/2014	\$7,137.00	\$ -	Loan-voluntary	57	-
11/01/2014	\$ -	\$52,863.00	Loan-voluntary	57	-
12/01/2014	\$7,197.21	\$ -	Loan-voluntary	56	-
12/01/2014	\$ -	\$52,802.79	Loan-voluntary	56	-
01/01/2015	\$7,257.94	\$ -	Loan-voluntary	55	-
01/01/2015	\$ -	\$52,742.06	Loan-voluntary	55	-

02/01/2015	\$7,319.18	\$	-	Loan-voluntary	54	-
02/01/2015			\$52,680.82	Loan-voluntary	54	-
03/01/2015	\$7,380.93	\$	-	Loan-voluntary	53	-
03/01/2015			\$52,619.07	Loan-voluntary	53	-
04/01/2015	\$47,443.21	\$	-	Loan-voluntary	52	-
04/01/2015			\$52,556.79	Loan-voluntary	52	-
05/01/2015	\$47,843.51	\$	-	Loan-voluntary	51	-
05/01/2015			\$52,156.49	Loan-voluntary	51	-
06/01/2015	\$48,247.19	\$	-	Loan-voluntary	50	-
06/01/2015			\$51,752.81	Loan-voluntary	50	-
07/01/2015	\$48,654.28	\$	-	Loan-voluntary	49	-
07/01/2015			\$51,345.72	Loan-voluntary	49	-
08/01/2015	\$49,064.80	\$	-	Loan-voluntary	48	-
08/01/2015			\$50,935.20	Loan-voluntary	48	-
09/01/2015			\$50,521.22	Loan-voluntary	47	-
09/01/2015	\$49,478.78	\$	-	Loan-voluntary	47	-
10/01/2015			\$50,103.74	Loan-voluntary	46	-
10/01/2015	\$49,896.26	\$	-	Loan-voluntary	46	-
11/01/2015			\$49,682.74	Loan-voluntary	45	-
11/01/2015	\$50,317.26	\$	-	Loan-voluntary	45	-
12/01/2015			\$49,258.19	Loan-voluntary	44	-
12/01/2015	\$50,741.81	\$	-	Loan-voluntary	44	-
01/01/2016			\$48,830.05	Loan-voluntary	43	-
01/01/2016	\$51,169.95	\$	-	Loan-voluntary	43	-
02/01/2016			\$48,398.31	Loan-voluntary	42	-
02/01/2016	\$51,601.69	\$	-	Loan-voluntary	42	-
03/01/2016			\$47,962.92	Loan-voluntary	41	-
03/01/2016	\$52,037.08	\$	-	Loan-voluntary	41	-
04/01/2016			\$47,523.86	Loan-voluntary	40	-
04/01/2016	\$50,448.03	\$	-	Loan-voluntary	40	-
05/09/2016			\$4,504.19	No	39	-
05/10/2016			\$768.93	No	39	-
05/17/2016			\$147.33	No	38	-
05/18/2016			\$895.34	No	38	-
05/25/2016			\$1,119.57	No	38	-
06/16/2016			\$1,270.85	No	37	-
06/23/2016			\$1,805.01	No	37	-
06/28/2016			\$1,580.27	No	37	-
06/29/2016			\$3,551.93	No	37	-
07/01/2016			\$3,542.16	No	37	-
07/08/2016			\$2,886.24	No	37	-
07/11/2016			\$6,785.34	No	36	-
07/13/2016			\$890.36	No	36	-
07/26/2016			\$1,438.45	No	36	-
08/05/2016			\$497.48	No	36	-
08/10/2016			\$2,486.16	No	35	-
08/11/2016			\$602.27	No	35	-
08/16/2016			\$765.90	No	35	-
08/18/2016			\$854.74	No	35	-
08/23/2016			\$686.88	No	35	-
09/14/2016			\$413.57	No	34	-
09/26/2016			\$2,638.57	No	34	-
10/05/2016			\$3,605.91	No	34	-
10/11/2016			\$1,916.53	No	33	-
10/18/2016			\$872.56	No	33	-
10/19/2016			\$1,541.62	No	33	-
12/12/2016			\$558.72	No	31	-
12/15/2016			\$3,285.16	No	31	-
12/21/2016			\$602.27	No	31	-
01/09/2017			\$775.35	No	30	-
01/11/2017			\$4,505.74	No	30	-
01/12/2017			\$2,330.08	No	30	-
01/17/2017			\$686.88	No	30	-
02/08/2017			\$628.47	No	29	-
02/14/2017			\$2,249.28	No	29	-
02/23/2017			\$1,276.13	No	29	-
04/21/2017			\$22.01	No	27	-
10/01/2018			\$506.20	No	9	-
02/04/2019			\$129.63	No	5	-
05/13/2019			\$1,273.09	No	2	-

200.8- Tracking and Report on the 935 Interest Payments

(Rev.12509; Issued:02-15-24; Effective: 07-01-24; Implementation: 07-01-24)

Contractors shall report 935 interest paid each calendar quarter based on an ALJ or subsequent level decision for fully and partially favorable decisions that were reversed from the previous decision.

- Report 935 Interest payment amounts on all provider types.*
- When a provider has more than one decision, those amounts shall be aggregated.*

Report shall be sent electronically to:

Medicareoverpayments@cms.hhs.gov.

The contractor shall have 30 calendar days from the end of the calendar quarter to submit the report to CMS.

Exhibit 1: 935 Interest Payment Tracking Report

1st Quarter: October, November and December

2nd Quarter: January, February and March

3rd Quarter: April, May and June

4th Quarter: July, August and September

Include the following on the report:

1. Provider Name
2. Appeal Case #
3. Decision Date
4. Decision
5. 935 Interest Amount

Example:

Provider Name	Appeal case #	Decision Date	Decision	935 Interest-Amount
ABC DME Home	XXXXXXXXXX	01/03/2019	Fully Favorable	135000
Georgia Homecare	XXXXXXXXXX	01/05/2019	Fully Favorable	25000
Total Care	XXXXXXXXXX	01/18/2019	Partially Favorable	29
Maximum Health group	XXXXXXXXXX	01/29/2019	Partially Favorable	156000
Total				\$316029