



## Limitation on Recoupment of Medicare Overpayments

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Related Change Request (CR) Number: [CR 11808](#)

Implementation Date: July 1, 2024

Related CR Transmittal Number: R12509FM

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

### Affected Providers

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- Physicians
- Institutional providers
- Suppliers
- Other providers billing Medicare Administrative Contractors (MACs) for services they provide to Medicare patients

### Action Needed

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Make sure your staff knows about:

- Limits on recouping of overpayments
- When to request an extended repayment plan (ERS) or choose an immediate recoupment
- How we pay interest on overpayments

### Background

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The limitations on the recoupment of Medicare overpayments are during the first and second levels of appeal only. This provides protection to providers during the initial stages of the appeal process. During this time, providers can voluntarily:

- Request an ERS
- Choose an immediate recoupment

If you don't establish an ERS, MACs will resume recoupment at 100% until the debt is paid in full after the second level of appeal, regardless of any subsequent appeals you file. This includes the third level, the ALJ, or subsequent levels, or Department Appeals Board or Federal Court.

Interest payments are only applicable to overpayments we recover through involuntary recoupment under the limitation on recoupment provisions. Interest isn't payable on the principal amount recouped on voluntary payments such as payments from an existing ERS, immediate

recoupment prior to the qualified independent contractor (QIC) decision, payment suspensions, and check payments.

## Policy Changes

Section 1893(f)(2)(a) of the [Social Security Act](#) and a provision in the Medicare Prescription Drug, Improvement and Modernization Act of 2003:

- Prohibits recouping Medicare overpayments from providers or suppliers seeking a reconsideration from a QIC
- Changes how we pay interest to providers or suppliers whose overpayment is reversed at subsequent administrative or judicial levels of appeal
- Limits recoupment of Medicare overpayments when providers or suppliers seek a redetermination until a redetermination decision is made
- 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

## More Information

We issued CR 11808 to your MAC as the official instruction for this change. See Sections 200.5-200.8 of the Medicare Financial Management Manual, Chapter 3, for more details. These sections are attached to CR 11808.

For more information, [find your MAC's website](#).

## Document History

Date of Change	Description
February 15, 2024	Initial article released.

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