DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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Baltimore, Maryland 21244-1850

----REVISED REVIEW POLICY----

Provider Billing for Less Services than Rendered

Current Policy

During the Fiscal Year (FY) 2006 Medicaid review of fee-for-service claims, an error was cited when the medical record showed the provider supplied more units than was billed on the claim. The payment was considered an error because there was an underpayment for total services rendered. States have indicated that, in many instances, there are written State policies in effect that allow for paying what was billed even though the amount is less than the maximum allowable amount.

A review of various States' written policies shows that there are policies in effect with wording to pay providers the amount billed up to the maximum allowable amount. These policies are numerous and diverse across different service types.

Revised Policy

The medical review process has been revised to allow for written policies that set forth this payment practice. Therefore, when reviewers note a discrepancy between the number of units billed and the number of units provided, they should:

- verify whether there is a written State policy in effect at the time the payment was made for reimbursing the amount billed up to the maximum allowable amount, and,
- cite no error if there is a policy, or
- cite an error if there is no policy. A State can request reconsideration of these errors through difference resolution when it can demonstrate that there was a written policy in effect at the time of the payment.

CMS has asked its review contractor to re-review FY 2006 claims relevant to this matter and reverse errors where appropriate.