
Medicare

Carriers Manual

Part 3 - Claims Process

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 1784

Date: DECEMBER 27, 2002

CHANGE REQUEST 2468

<u>HEADER SECTION NUMBERS</u>	<u>PAGES TO INSERT</u>	<u>PAGES TO DELETE</u>
7117	7-66.1 (1 p.)	7-66.1 (1 p.)

NEW/REVISED MATERIAL--*EFFECTIVE DATE: December 27, 2002*
IMPLEMENTATION DATE: December 27, 2002

Section 7117, Recovery Where Fraud is Suspected, revises this section to refer to the Program Integrity Manual (PIM), CMS-Pub. 100-8 for instructions.

DISCLAIMER: The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.

These instructions should be implemented within your current operating budget.

7117. RECOVERY WHERE FRAUD IS SUSPECTED

Refer to the Program Integrity Manual (PIM), CMS-Pub. 100-8 for instructions on recovery where fraud is suspected.

7118. WAIVER

A. Waiver by Carrier.--Where Medicare has paid a physician for services that are later determined to be not reasonable and necessary, waive liability if the physician and the beneficiary were both without fault with respect to the overpayment, i.e., under the criteria in §7300.5, the parties did not know and could not have been expected to know that the items or services were not covered. Do not take recovery action on these cases and do not refer them to CMS.

Consideration of waiver by a carrier in assigned cases involving overpayments for items and services determined to be not reasonable and necessary is automatic, i.e., a waiver determination will be made whether or not either party has directly raised the issue. (See §7300.4.)

B. Waiver by CMS or SSA.--The law provides that where a beneficiary is responsible for an overpayment, recovery may be waived by CMS or the SSA program service center if the beneficiary was without fault with respect to the overpayment and recovery of the overpayment would:

- Defeat the purpose of title II or title XVIII of the Social Security Act by causing financial hardship for the beneficiary; or
- Would be against equity and good conscience.

Consideration of waiver is normally contingent upon the beneficiary's request in response to the refund request by the carrier or the SSA program service center. However, see §7116 for cases which you refer to CMS for waiver consideration before taking any recovery action.

7119. INFORMATION AND HELP OBTAINABLE FROM THE SOCIAL SECURITY OFFICE

Occasionally, it may be possible to get information or help from the SSO. (See §3400.) For instance, if the enrollee has moved, the SSO may know the new address; or if he has died, it may know whether the estate will be administered; if the beneficiary takes a check representing an incorrect payment to the SSO, it will forward the check you. However, do not ask the SSO to collect or indirectly aid in the collection of an overpayment.

7120. RECOVERY WHERE THE BENEFICIARY IS LIABLE FOR THE OVERPAYMENT

When the beneficiary has been determined to be liable for the overpayment, recovery efforts are initiated against the beneficiary in accordance with the following sections as appropriate.