150 - ACCELERATED PAYMENTS- FI ONLY
(Rev. 29, 01-02-04)

An accelerated payment may be issued where there is:

- A delay in payment by the FI for covered services rendered to beneficiaries and this delay has caused financial difficulties for the provider,

- In highly exceptional situations where a provider has incurred a temporary delay in its bill processing beyond the provider's normal billing cycle, or

- In highly exceptional situations where CMS deems an accelerated payment is appropriate.

A request for an accelerated payment shall not be approved unless the provider meets all eligibility requirements, including an assurance that recoupment of the payment will be made on a timely basis. The amount of the accelerated payment is computed as a percentage (sufficient to alleviate the impaired cash position but in no case to exceed 70 percent) of the amount of net reimbursement represented by unbilled discharges or unpaid bills applicable to covered services rendered to beneficiaries.

Accelerated payments shall be approved by the FI and the appropriate regional office. The regional office will review each request for an accelerated payment to assure that the accelerated payment provisions are being correctly and consistently applied and to provide the Administration with timely information concerning provider and FI bill processing.

150.1 - Eligibility for Accelerated Payment
(Rev. 29, 01-02-04)

Provider eligibility for accelerated payments is contingent on the provider meeting all of the following conditions;

- A shortage of cash exists whereby the provider cannot meet current financial obligations; and

- The impaired cash position described in "A" is due to abnormal delays in claims processing and/or payment by the FI. However, request for accelerated payments based on isolated temporary provider billing delays may also be approved where the delay is for a period of time beyond the provider's normal billing cycle. In this instance, the provider must assure and demonstrate that the causes of its billing delays are being corrected and are not chronic; and

- The provider's impaired cash position would not be alleviated by receipts anticipated within 30 days which would enable the provider to meet current financial obligations; and

- The basis for financial difficulty is due to a lag in Medicare billing and/or payments and not to other third-party payers or private patients; and

- The FI is assured that recovery of the payment can be accomplished according to the instructions in §150.4.

NOTE: Each FI is cautioned that neither the revision of the current financing regulations nor the recovery of current financing payments is a basis for justifying a provider's request for an accelerated payment.

150.2- Computation of the Accelerated Payment

(Rev. 29, 01-02-04)
To compute the accelerated payment on account:

1. Determine the amount of the interim reimbursement for unbilled and unpaid claims;

2. Subtract the deductibles and coinsurance amounts, and

3. Multiply by 70% to determine the net reimbursable amount which can be paid to the provider.

150.3 - Recoupment of the Accelerated Payment

(Rev. 227, Issued: 09 17-13, Effective: 10-04-13, Implementation: 10-04-13)

The Medicare Contractor shall attempt to recover any accelerated payment within 90 days after it is issued. To the extent that a delay in the provider's billing process is the basis for the accelerated payment, recoupment is made by a 100 percent withhold against the provider's bills processed by the (Part A) contractor or other monies due the provider after the date of issuance of the accelerated payment. Any remainder is recovered by direct payment by the provider not later than 90 days after issuance of the accelerated payment.

If the payment is necessitated by abnormal delays in claims processing and/or payment by the contractor, recovery by recoupment will be reasonably scheduled to coincide with improvement in the contractor's bill processing situation and such recoupment will not impair the provider's cash position. In this situation, recoupment shall be completed within 90 days of the contractor processing the provider's claims.

If recovery is not complete 90 days after the accelerated payment is issued or 90 days after the contractor begins processing claims, the accelerated payment is considered delinquent. The contractor shall immediately send out an initial demand letter. This letter shall state that 100 percent recoupment by withhold of all payments is in effect and that the recoupment will remain so until the debt is paid in full or acceptable payment arrangements are made.

Contractors shall include the "Intent to Refer" language required to refer the debt to the Treasury Department. (See Chapter 4, §70) Interest shall begin to accrue on the 31st day after the date of the demand letter at the prevailing rate set by the Treasury Department. If the contractor does not hear from the provider within 15 days from the date of the demand letter, the contractor shall attempt to contact the provider by telephone. If the demand letter is returned undeliverable the contractor shall attempt to locate the provider using some of the guidelines set forth in Chapter 4, §10. If the contractor does not hear from the provider within 60 days of the date of the demand letter, the contractor shall input the debt into the Debt Collection System for referral to the Treasury Department for additional collection activity.

SAMPLE FORMAT FOR PROVIDER REQUEST FOR ACCLERATED PAYMENT:

1. Provider:_________________________________ Provider Number:_________
Address:____
–____

2. Contractor: ____________

3. Check (a) or (b) if applicable:

Cash balance is seriously impaired due to:

(a) Abnormal delay in Title XVIII claims processing and/or payment by the health insurance Contractor.

(b) Delay in provider billing process of an isolated temporary nature beyond the provider's normal billing cycle and not attributable to other third party payers or private patients.

Note: If 3b is checked the provider should also include a narrative explaining the nature of the problem, how it will be fixed, and the expected duration of the delay.

4. a. General fund cash position for provider as of ________ $_____

b. Anticipated receipts from all sources (exclusive of accelerated payments) in the next 30 days $_____

c. Anticipated expenditures in next 30 days $_____

d. Indicated cash position in next 30 days (a + b – c) $ ____

160 - Termination of Collection Action

(Rev. 294, Issued: 10-06-17, Effective: 07-03-17, Implementation: 07-03-17)

The contractor can request termination of collection action for any debt. In addition, a contractor's accounting system will automatically identify certain debts for termination of collection action. However, the final decision to terminate collection action and write off/close out any debt must be approved by CMS RO or CO.

160.1- Termination of Collection Action – Provider Overpayments

(Rev. 294, Issued: 10-06-17, Effective: 07-03-17, Implementation: 07-03-17)

Under normal circumstances if the contractor is unable to collect an overpayment, the overpayment will be referred to the Department of Treasury for additional collection efforts.
However, if the principal and interest balance of the overpayment is less than $25.00 the overpayment is not eligible for referral to the Department of Treasury.

Therefore, once an overpayment with a principal and interest balance less than $25.00 becomes 180 days old (from the date of the first demand letter), the overpayment should be forwarded to the regional office for termination of collection action and write off closed approval. This process of referring debts to the servicing regional office for termination of collection action and write off closed approval should occur on a quarterly basis. These requests should be sent by hard copy no later than the first day of the