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### ***Provider Education Article – Collection of Fee-for-Service Payments Made During Periods of Managed Care Enrollment***

This article provides guidance for physicians, providers, and suppliers regarding overpayment recovery activities that the Centers for Medicare & Medicaid Services (CMS) will undertake connected to erroneous approvals for payment of fee-for-service (FFS) claims during periods of Managed Care enrollment.

The 1999 Balanced Budget Reconciliation Act (BBRA) requires “current month enrollment,” which means that the effective date of enrollment is based upon the date a beneficiary signs an application for enrollment in a Medicare + Choice Organization (M+CO). The effective date of enrollment, as well as the date the M+CO is responsible for providing Medicare services to the beneficiary, is the first day of the month following receipt of the beneficiary’s completed, signed application for enrollment in the M+CO.

The CMS electronic data systems may experience time lags, during which time Medicare services and items are paid twice: through the FFS Medicare contractor and the Managed Care Payment systems in the monthly capitation rate for the beneficiary. When the electronic data systems recognize that a beneficiary has enrolled in a M+CO, the M+CO receives capitation payments for the beneficiary, retroactive to the effective date of enrollment. During the period of time between the effective date of enrollment and when the CMS electronic data system updates, physicians, providers, and suppliers may not be aware of the beneficiary’s enrollment in the M+CO and bill the Medicare FFS system for services and items provided to that beneficiary.

Effective October 1, 2003, CMS contractors will initiate overpayment recovery procedures to retract original Part A and Part B payments and generate adjustments to update or cancel claims connected to erroneous approvals for payment of FFS claims during periods of Managed Care enrollment.

If you have questions about this article, please contact your carrier or intermediary.