



Client Alert



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CMS Announces Delay of Two Demonstration Projects Targeting Improper Payment

On December 29, 2011, the Centers for Medicare & Medicaid Services (CMS) issued a notice announcing the delay of the following two demonstration projects previously announced in its fiscal year 2011 Agency Financial Report: 1) the Recovery Audit Prepayment Review demonstration; and 2) the Prepayment Review and Prior Authorization for Power Mobility Devices demonstration. These two demonstration projects, in addition to the Part A to Part B Rebilling demonstration project, were part of the CMS initiative to reduce improper payments and target fraud, waste and abuse. The delay will allow the agency additional time to consider the numerous comments and suggestions received on the implementation of these two projects. While no specific date has been set for implementation, CMS confirmed that at least 30 days' notice will be provided before the beginning date of these demonstrations.

The third project, the Part A to Part B Rebilling demonstration, remained on schedule and started on January 1, 2012. A representative sample of 380 hospitals nationwide, which volunteered to be part of the program, will be able to resubmit claims for Part B payments after a Medicare contractor (Medicare Administrative Contractor, Recovery Audit Contractor, or Comprehensive Error Rate Testing auditor) determines that the beneficiary failed to meet the requirements for a Part A inpatient stay, but met the requirements for Part B services. The agency hopes that the demonstration will lower the Medicare appeals rate and reduce the provider burden of appeal. Beneficiaries will not be held liable for any changes in hospital co-insurance as a result of the demonstration.

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