

Report on Medicare Compliance Volume 29, Number 4. February 03, 2020

In Unusual Move, MACs Recoup Whole DRG Payment for PACT Errors; Rebuttals May Help

By Nina Youngstrom

Some hospitals are getting large-dollar demand letters from their Medicare administrative contractors (MACs) for overpayments caused by noncompliance with the post-acute care transfer (PACT) payment policy, but they're dismayed that Medicare wants more than what they say is the actual overpayment. MACs should only recover the difference between the MS-DRG payments and per diem payments, compliance professionals and physician advisers say. That's how it normally works when hospitals submit claims of any type that Medicare thinks should be reimbursed at a lower dollar amount. Because of the unusual situation, the medical director for one MAC suggested hospitals submit rebuttals to shut down the recoupment, according to a physician advisor.

Phillip Baker, M.D., medical director of case management at Self Regional Healthcare in South Carolina, said the medical director for Palmetto GBA, a MAC, told him she expects "to get a large number of rebuttals," which the MAC will "escalate" to CMS. The MACs are following CMS's instructions in terms of pursuing the entire DRG payment, Baker said the medical director told him. "Their hands are tied," he explained. Baker hopes a swarm of rebuttals will get CMS to change course. CMS didn't respond to RMC's request for comment by press time.

Palmetto sent Self Regional Healthcare a demand letter for \$300,000, including one case worth \$60,700. "There's not an audit out there that has been like this. That's why everyone is so bent out of shape," Baker said.

In some cases, the net effect of the difference may be no overpayment.

This document is only available to subscribers. Please log in or purchase access.

[Purchase Login](#)