

Report on Medicare Compliance Volume 29, Number 42. November 23, 2020 Hospitals Were Overpaid \$33M Over Device Credits; Policy May Change

By Nina Youngstrom

Medicare administrative contractors (MACs) will be coming to 911 hospitals for overpayments caused by unreported manufacturer credits for recalled or prematurely failed cardiac medical devices, according to an audit report from the HHS Office of Inspector General (OIG) posted Nov. 18.^[1] The hospitals received \$33 million in “potential overpayments” stemming from the credits in a two-year period. OIG recommended that MACs recover the portion of the money within the reopening period and that CMS tell hospitals to return any overpayments in compliance with Medicare’s 60-day rule. CMS agreed.

OIG also suggested a possible trade-off with broader implications: Maybe CMS should eliminate the device-reporting requirement and reduce payments for cardiac device replacement procedures under the inpatient and outpatient prospective payment systems. CMS agreed, saying it “will consider whether there are administratively efficient alternative methods of accounting for device credits in a manner that treats all hospitals fairly.”

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

[Purchase Login](#)