

MEDICARE PART A BULLETIN

June 24, 1997

General Medicare Bulletin G-289

TO: All Medicare Providers

FROM: Andy DePirro, Director, Program Relations

SUBJECT: **CLAIMS PROCESSING TIMELINESS AND HCFA REVISED INTEREST RATE, EFFECTIVE FOR CLAIMS RECEIVED BY THE INTERMEDIARY ON AND AFTER JULY 1, 1997**

ATTENTION MEDICARE BUSINESS OFFICE: Please distribute to all appropriate health care facility personnel.

Under the Health Care Financing Administration's (HCFA's) Payment Floor Standards, the fiscal intermediary may not pay, issue, mail, or otherwise release payment for any claim it receives for processing within the established "waiting period," which is determined by the date a claim is received. The current payment floors are established as follows:

- 13 days for EMC; and
- 27 days for hardcopy/paper claims.

In accordance with HCFA instructions, the intermediary begins its count on the day after the day of receipt. For example, a paper/hardcopy claim received March 1, 1997, can be paid on or after March 28, 1997, depending on the next regularly scheduled payment cycle. An electronic claim received March 1, 1997, can be paid on or after March 14, 1997, depending on the next regularly scheduled payment cycle.

NOTE: No payment claims (e.g., rejects, denials) and adjustment claims are not subject to the payment floor standards.

Under HCFA's claims processing timeliness criteria, excluding claims for which Periodic Interim Payment (PIP) reimbursement is made, "clean" claims must be paid or denied within thirty (30) days from their receipt date or interest will be payable. Both hardcopy/paper and electronic media (EMC) "clean" claims must be processed within thirty (30) days to preclude interest payments.

DEFINITION OF “CLEAN” CLAIM

A “clean” claim is one that does not require the fiscal intermediary to investigate or develop external to their Medicare operation on a prepayment basis. Examples include those claims that:

- Pass all edits, intermediary and Common Working File (CWF), and are processed electronically; and
- Do not require any external development by the intermediary.

Interest is not paid on:

- Claims requiring external investigation or development by the intermediary (e.g., additional development requests - ADRs);
- Claims on which no payment is due;
- Full denials;
- Claims not approved for payment by CWF within 7 days of the intermediary’s original claim submittal for reasons beyond the intermediary’s control; or
- Claims for which the provider is receiving PIP (periodic interim payment) reimbursement.

INTEREST RATE JULY 1, 1997 THROUGH DECEMBER 31, 1997

The interest rate to be paid on clean, non-PIP claims exceeding the claims processing timeliness criteria is determined by the U.S. Treasury Department on a six-month basis.

The U.S. Treasury Department has determined the interest rate of 6.75 percent will be payable on claims with scheduled payment dates from July 1, 1997 through December 31, 1997.

Questions regarding this bulletin may be addressed to the Medicare Part A Customer Service Department by calling (904) 355-8899.