

MEDICARE PART A BULLETIN

February 15, 1999

General Medicare Bulletin G-364

To: All Medicare Providers

From: Medicare Program Relations

Subject: **CLAIMS PROCESSING TIMELINESS AND HCFA REVISED INTEREST RATE, EFFECTIVE FOR CLAIMS RECEIVED BY THE INTERMEDIARY ON AND AFTER JANUARY 1, 1999**

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 Electronic Media Claims (EMC); and
- 27 days for hardcopy/paper claims.

INTEREST RATE JANUARY 1, 1999 THROUGH JUNE 30, 1999

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

The US Treasury Department has determined the interest rate of 5.0 percent will be payable on claims with scheduled payment dates from January 1, 1999 through June 30, 1999.

This information was obtained from the US Treasury Department's web page:
www.publicdebt.treas.gov/opd/opdprmt2.htm

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 of their receipt date or interest will be payable. Both hardcopy/paper and EMC "clean" claims must be processed within thirty (30) days to preclude interest payments.

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, 1999, can be paid on or after March 28, 1999, depending on the next regularly scheduled payment cycle. An electronic claim received March 1, 1999, can be paid on or after March 14, 1999, 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.**

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