## Recommended Checklist for Provider to Review Bad Debt Listing

Date:

Provider Name:

Provider Number:

FYE:

Address:

Dear:

We recommend that prior to submitting your cost report you review the Medicare bad debt listing for the following items to ensure it is as accurate as possible in order to minimize the impact of any error extrapolation. Once our review of the cost report has begun, you cannot change the listing or request a new sample be taken should you later determine that the listing is flawed. Some common items you should review for are listed in the attached checklist.

Please respond with an X indicating you have completed your review for this attribute on your Medicare bad debt listing or N/A if the attribute is not applicable. Please submit a copy of this listing with the bad debt log you include with the Medicare cost report. We encourage you to review your Medicare bad debt listing again so as to minimize the impact of errors and limit the amount of any disallowance made by our auditors as a result of our testing. Please note that a revised listing cannot be submitted after the sampling process has been initiated.

Should you have questions, please call _____ at _____.

Sincerely,

Manager

**Completed Review**

_____ The Medicare bad debt listing does not contain any duplicate accounts previously claimed in prior years or any duplicate current year accounts.

_____ For hospital cost reports, the Medicare bad debt listing does not include any duplicate accounts claimed on W/S S-10 Line 20 Charity Care (Either in prior years or in the current years accounts).

_____ The Medicare bad debt amounts claimed relate to unpaid Medicare Part A deductibles and coinsurance only. Do not include services covered under Medicare Part C such as Medicare Advantage or HMO plans.

_____ Any beneficiary or other payments received after write-off have been netted against the bad debt amount claimed.

_____ The concept of Medicare bad debts applies to services reimbursed on the basis of reasonable cost. The Medicare bad debt listing should not include any Physician Part B professional component or any coinsurance outpatient fee-reimbursed services, such as therapy services. Providers can easily identify the coinsurance on a per-service basis by looking at MAP 171 A screen on the Fiscal Intermediary Standard System (FISS). Should the fee-based coinsurance not be eliminated from the listing, an adjustment will be made to extrapolate any fee-based amounts found in our sample.

_____ For crossover bad debts, ensure Medicaid has been billed for the correct amount of Medicare deductibles and coinsurance and the Medicaid remit.

_____ For any noncrossover indigent bad debts claimed, ensure the Medicare beneficiary's indigent status is fully documented by the provider's analysis of the beneficiary's told resource (assets, liabilities, expenses and income). The indigency determination must be made by the provider and not the beneficiary.

_____ Ensure that nonindigent Medicare bad debts are not claimed earlier than 120 days after date of first billing after discharge. The date claimed should be within the cost reporting period under review.

_____ Ensure your facility's bad debt policies and collection procedures are documented. Have these policies/procedures changed since the prior year?

_____ Ensure the nonindigent Medicare bad debt collection activity is fully documented and available for review, including the use of any outside collection agencies.

_____ Ensure the nonindigent Medicare bad debt is not claimed until all collection activity, including use of collection agencies, has ceased.

_____ _____

**Signature of Provider Representative responsible for Bad Debt Logs** **Date**