

SMSO Policy Manual

INTEREST PAYMENTS – MEDICARE PLANS

Executive Sponsor: Steve Adamson, Chief Operations Officer

Issuing Department: Claims

Gate Keeper: Melissa Rusk, Director Claims

COMPLIANCE STATEMENT:

Enforcement: All members of the workforce are responsible for compliance with this policy. Failure to abide by the requirements of this policy may result in corrective action, up to and including termination. Workforce members are responsible for reporting any observed violations of this policy.

Review Schedule: This policy will be reviewed and updated as necessary and no less than every two years.

Monitoring and Auditing: The Issuing/Collaborating Department(s) is responsible for monitoring compliance with this policy.

Documentation: Documentation related to this policy must be maintained for a minimum of 10 years.

Applies to:

- SummaCare Apex
 Summa Health Management Company Summa Insurance Company

Line of Business:

- Commercial Groups Medicare
 Medicare Supplemental On-Exchange
 Off-Exchange Self-Funded

1.0 Purpose:

- 1.1 CMS requires that we pay interest on any service not paid within thirty days from the date of receipt of a clean claim from a non-participating provider

2.0 Policy:

- 2.1 To outline the computation and payment of interest based on Centers for Medicare and Medicaid Services (CMS) requirements.

3.0 Procedure:

- 3.1 Interest calculation is performed programmatically on all applicable services prior to the payable run. The process uses the number of days late times the interest rate. Interest is paid at the time the services are paid.
- 3.2 The interest rate is released twice a year (1/1 and 7/1) and can be found at <http://www.fms.treas.gov/prompt/rates.html>.
 - 3.2.1 Configuration Management is responsible for obtaining and updating the interest rate for automated interest calculation within the claims processing system.
 - 3.2.1.1 The Configuration Management team consists of 4 staff members with training and access to update the interest table.
 - 3.2.1.2 Each member of the team shares the responsibility of the interest updates equally with the Configuration Manager as the primary responsible party.
 - 3.2.2 Interest rate updates must be made prior to the first payable run after the interest rate changes to ensure interest is paid at the correct rate.
- 3.3 The Claims Area will monitor the interest rate table changes twice annually in conjunction with the updates with CMS.
- 3.4 The Claims Area uses databases to review services paying interest when the amount of interest is over \$10. This review is based on pre-payable reports.
- 3.5 Melissa Rusk, Director, Claims & BPO Operations has the authority and responsibility for the activities in this policy or procedure.
- 3.6 The Issuing Dept. is responsible for monitoring/enforcing the compliance with this policy.

4.0 References:

- 4.1 Source of the policy (regulatory citation, accreditation standard, internal standard)
 - 4.1.1 42 CFR 422.520(a)(2)

Uncontrolled if Printed

4.2 Are there any references to other documents, regulations, or intranet locations?

4.2.1 None

4.3 Are there other policies that work in conjunction with this policy?

4.3.1 None

4.4 Replaces (if applicable):

4.4.1 None

5.0 Definitions:

5.1 None

6.0 Key Words or Aliases (Optional):

6.1 None

ORIGINAL *EFFECTIVE DATE*: 4/28/1999
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