

## **APPLYING FOR AN EXTENDED REPAYMENT PLAN (ERP)**

Anytime a provider needs longer than thirty (30) days to repay the full amount of an overpayment; the provider should request an ERP. While a provider may request an ERP at any time during the debt collection process, it is recommended that the provider submit the ERP request and required documentation within 15 days of the first demand letter to avoid the suspension of the facility's interim payments. The following explains when a provider's interim payments may be subject to suspension.

- If the completed ERP application and the first payment of the anticipated ERP, are received within 15 days of the date of the demand letter, the interim payments will not be withheld unless interim payments are currently being suspended or withheld for another outstanding overpayment or investigation.
- If a provider notifies the fiscal intermediary (FI) within 15 days that they intend to submit an ERP request, but cannot submit the required documentation within 15 days, thirty (30) percent of interim payments will most likely be withheld. However, if a complete ERP application and first payment is not received by day 30, all interim payments will most likely be withheld.
- If the FI does not hear from the provider regarding an ERP application within 15 days from the date of the first demand letter, the FI will begin to recoup the overpayment by withholding 100% of interim payments. Any payments withheld prior to the receipt of the ERP application will be applied to the outstanding overpayment and will not be refunded.
- Any request for an ERP greater than 12 months will be forwarded to CMS for approval. If the ERP is approved, it will run from the date of the first demand letter.
- The provider must continue to submit monthly payments until written approval/denial is received. If a provider fails to continue to submit monthly payments, the FI may initiate withhold of interim payments.

Please mail your ERP request, along with your first payment and a copy of your 1<sup>st</sup> Request letter to:

Joe Kaup  
Reimbursement Supervisor  
Medicare Audit and Reimb-S7  
Mutual of Omaha Insurance Company  
P O Box 1604  
Omaha, NE 68101

*or*

Joe Kaup  
Reimbursement Supervisor  
Medicare Audit and Reimb-S7  
Mutual of Omaha Insurance Company  
Mutual of Omaha Plaza  
Omaha, NE 68175

## **PROVIDER ERP CHECKLIST**

To request an extended repayment plan, the provider must submit the following items. If the provider is unable to furnish any of the items listed, it must fully explain the reason(s) why.

### Items Included?

(Yes=Y/No=N)

1. Y N A written request must be submitted that refers to the specific overpayment for which an extended repayment is being requested and the period of repayment.

If more than one overpayment exists, a separate request must be made for each overpayment.

2. Y N The ERP request must include an amortization schedule, containing the proposed repayment schedule, including the length of schedule, dates of payment, payment amounts broken down between principal and interest.

3. Y N The most current balance sheet and the one for the last complete Medicare reporting period (preferably prepared by the provider's accountant). If consolidated statements (including more than one entity) are submitted, separate statements showing the individual provider's contribution must also be submitted.

Note: If the time period between the two balance sheets is less than 6 months (or the provider cannot submit balance sheets prepared by its accountant), it must submit balance sheets for the last two complete Medicare reporting periods in addition to the most current balance sheet.

4. Y N Income Statements related to each of the balance sheets (preferably prepared by the Provider's accountant).

5. Y N Statement of Sources and Application of Funds for the periods covered by each of the income statements (See Exhibit 1 for recommended format).

6. Y N Cash Flow Statements for the periods covered by each of the balance sheets. If the date of the request for an extended repayment plan is more than 3 months after the date of the most recent balance sheet, a cash flow statement should be prepared for all months between that date and the date of the request.

7. Y N Projected Cash Flow Statement covering the remainder of the current fiscal year. If fewer than 6 months remain, a projected cash flow statement for the following year should be included. The projected cash flow statement must identify the monthly ERP payment.

8. Y N Amount of outstanding accelerated payments (If any were issued to the provider).

9. Y N List of restricted cash funds by amounts as of the date of request and the purpose for which each fund is to be used.

- 10. Y N List of investments by type (stock, bond, etc.), amount, and current market value as of the date of the report.
- 11. Y N List of notes and mortgages payable by amounts as of the date of the report, and their due dates.
- 12. Y N Schedule showing amounts due to and from related companies or individuals included in each of the balance sheets. The schedule must show the names of related organizations or persons and show where the amounts appear on the balance sheet such as Accounts Receivable, Notes Receivable, etc.
- 13. Y N Schedule showing types and amounts of expenses (included in the each of income statements) paid to related organizations. The names of the related organizations must be shown.
- 14. Y N The percentage of occupancy by type of patient (Medicare, Medicaid, and private pay) covered by each of the income statements. For home health and outpatient type facilities, this percentage should be based on visits to total by type. For hospitals and other inpatient type facilities, this percentage should be based on bed days utilized to total available in addition to bed days for that type to total bed days for the period.
- 15. Y N Requests for extended repayment of more than 12 months must be accompanied by at least one letter from a financial institution denying the provider's loan request for the amount of the overpayment and a copy of the loan application.
- 16. Y N The first payment according to the amortization schedule. The first payment, referenced "ERP Request", should be made payable to Medicare.

Submit all items checked 'no' within 15 days from the date of the first request letter to avoid the withholding of facility's interim payments.

**Each of the balance sheets and income statements must include the following statement:**

MISREPRESENTATION OR FALSIFICATION OF ANY INFORMATION CONTAINED IN THIS BALANCE SHEET OR INCOME STATEMENT MAY BE PUNISHABLE BY FINE AND/OR IMPRISONMENT UNDER FEDERAL LAW.

CERTIFICATION BY OFFICER OR ADMINISTRATOR OF PROVIDER(S) (TITLE)

I HEREBY CERTIFY that I have examined the balance sheets and income statements for the periods \_\_\_\_\_ through \_\_\_\_\_ and \_\_\_\_\_ through \_\_\_\_\_, prepared by \_\_\_\_\_ and that to the best of my knowledge and belief, it is a true, correct, and complete statement from the books and records of the provider.

**Each balance sheet and income statement must contain an original signature.**

# EXHIBIT 1

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS PERIOD COVERED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE PERIOD \_\_\_\_\_

### FUNDS PROVIDED BY:

|  |        |        |
|--|--------|--------|
| Operations – Net income for the period   | \$XXXX |        |
| Add: Charges not affecting working capital<br>(depreciation, amortization, etc.) | \$XXXX |        |
|  | \$XXXX |        |
| Less: Operating revenues not affecting working<br>capital                        |        | \$XXXX |
| Total fund provided by Operation   | \$XXXX |        |
| Long term loans  | \$XXXX |        |
| Unrestricted case donations  | \$XXXX |        |
| Other (identify)   | \$XXXX |        |
| Total Funds Provided   | \$XXXX |        |

### FUNDS APPLIED TO:

|  |         |  |
|--|---------|--|
| Retirement of long-term obligations<br>(mortgages, notes, bonds, etc.) | \$XXXX  |  |
| Purchase of equipment  | \$XXXX  |  |
| Purchase of land   | \$XXXX  |  |
| Dividends to stockholders  | \$XXXX  |  |
| Other (identify)   | \$XXXX  |  |
| Total Funds Applied  | \$-XXXX |  |
| Net Increase (Decrease) in Working Capital                             | \$XXXX* |  |
| -----  |         |  |
| Working Capital* (end of period) (date)                                | \$XXXX  |  |
| Less: Working Capital* (begin of period) (date)                        | \$-XXXX |  |
| Net Increase (Decrease) in Working Capital                             | \$XXXX* |  |

\* Current Assets less Current Liabilities