

Tulare Local Health Care District

Agenda Item

Board Meeting Date:

January 22, 2020

Title to Appear on Agenda:

Medicare Bad Debts Recovery

Brief Description:

Hospitals are entitled to recover from Medicare those portions of a patient's financial responsibility for deductible and/or coinsurance payments that have not been successfully collected by the hospital. There are certain rigorous protocols that must be followed and documented before Medicare will agree to reimburse these bad debts.

Background and Details:

During the past years, there have been instances in which Tulare Regional Medical Center did not 1) file appropriately for such repayment from Medicare, or 2) simply did not file for payments for which they could potentially be reimbursed.

Filing for these payments is a very complex process, and requires identifying and matching each individual patient's electronic record from the Hospital's I/T system with Medicare and Medi-Cal records. Many hospitals do not have the internal capabilities, expertise, or resources to complete these filings. As such, certain consulting firms have specialized in this niche arena.

Over the past several months the District has been in discussions with such a firm named the Genesa Reimbursement Group, LLC, and has authorized Genesa to sample some of the patient accounts to determine if there is potential for recovery of these bad debts. Genesa has determined that there is potential for recovery, and estimates that there may be as much as \$200,000 available. (If \$200,000 is recovered, the contingency (only) 18% fee to Genesa will be \$36,000). In order to continue this project, the TLHCD Board will need to authorize this project. Following are the terms of the agreement:

Client has no obligation to pay Company unless and until Company completes the Review. Client agrees to pay Company an 18% Contingency Fee (Fee) of the reimbursement amount Company identifies for Client under this Review. Company shall invoice Client 20% of the Fee up to \$5,000 upon delivery of results; and Company shall invoice Client the remainder of the Fee upon Client receiving the reimbursement amount. Client shall pay company within 30 days of receiving the invoice.

Exhibits:

A copy of the initial agreement is attached, which will also serve as the “go-forward” agreement.

Recommended Action:

That the Board authorize Genesa Reimbursement Group, LLC to fully pursue the Medicare Reimbursable Bad Debts in accordance with the terms outlined in the Agreement.