

## Requesting an Extended Repayment Schedule

Anytime an overpayment to Medicare has been identified, suppliers are expected to repay the overpayment as quickly as possible. However, circumstances may exist where prompt repayment of the full amount of debt could constitute a hardship to the supplier.

CMS has established a process by which suppliers may request to repay the debt in monthly installments rather than by paying in one lump sum or by having future claims payments applied to the debt, also known as "offset". This agreement is called an Extended Repayment Schedule (ERS).

An ERS establishes a formal repayment schedule on specific overpayments, allowing suppliers to make predetermined monthly payments. Noridian will not apply claims payments to debts that are part of an ERS, allowing the supplier to maintain cash flow from Medicare. However, if the supplier fails to make the agreed-upon monthly payments, CMS requires that offset be resumed and claims payments applied to the ERS debt.

In addition, interest continues to accrue against the ERS debt and any new debts (outside of the ERS) still need to be repaid within 30 days to avoid interest and within 41 days to avoid offset.

Suppliers wishing to request an ERS must provide CMS with specific financial documents. The information in these documents is used to determine the validity of the supplier's hardship claim and to gauge the supplier's ability to repay the debt within the timeframe requested. Not all requests for ERS are approved and it is in the supplier's best interest to provide all documents at the time of the request.

Each request must include:

1. A cover letter formally requesting an Extended Repayment Schedule. This letter must contain the following elements:
  - a. A list of all debts included in the ERS. This is most easily accomplished by attaching the first page of the overpayment letter received for each debt. Alternately, a spreadsheet containing all of the Financial Control Numbers (FCNs)/Document Control Numbers (DCNs) from the overpayment letters may be submitted.
  - b. The number of months the supplier expects to need to repay the debt.
  - c. The amount of proposed monthly payments.
  - d. A signed proposed Amortization Schedule that includes the above number of months and proposed monthly payments.  
**Note:** Remember that interest continues to accrue to the debt and adjust the number and/or amount of payments accordingly.
2. A check for the first month's ERS payment. In the Subject Line, reference "ERS Request."  
**Note:** Requests for ERS that are not accompanied by a check for the first month's payment may be considered invalid.
3. A completed copy of the Extended Repayment Schedule documentation list found on the Refunds/Overpayments Forms page.
4. A copy of each document referenced on the Extended Repayment Schedule documentation list.  
**Note:** Failure to include all required documents with the ERS request may result in processing delays or invalidation of the request. It is in the supplier's best interest to provide all documents at the time of the request.

A copy of the entire request, including a photocopy of the check, should be faxed to Noridian at 1-701-277-2427, Attention: JA DME RCP: Extended Repayment Schedule.

The ERS request and the original check should then be mailed to:  
Noridian JA DME  
Attention: Extended Repayment Schedule  
PO Box 511470  
Los Angeles, CA 90061-8025

Last Updated: July 18, 2018

# Durable Medical Equipment

## DOCUMENTATION SUPPORTING A REQUEST FOR EXTENDED REPAYMENT SCHEDULE (ERS) NON-SOLE PROPRIETOR

**Instructions:** Check Yes or No to indicate whether or not the item is included with your request:

Yes  No A written request that refers to the specific overpayment for which an extended repayment is being requested. This request must detail the number of months requested, indicate the approximate monthly payment amount (principal and interest, if possible), and include the first payment.

Yes  No Signed Proposed Amortization Schedule – this signed schedule shall contain the proposed repayment schedule, including the length of schedule, dates of payment, and payment amount broken down between principal and interest for the life of the schedule.

Yes  No Balance Sheets - The most current balance sheet and the one for the last complete fiscal year (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 six months (or the provider cannot submit balance sheets prepared by its accountant), it must submit balance sheets for the last TWO complete fiscal years in addition to the most current balance sheet.

Yes  No Income Statements related to the balance sheets (preferably prepared by the provider's accountant).

**Note:** The balance sheets and income statements must include the agreement language statement below:

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/OWNER OF DEBTOR(S))

I HEREBY CERTIFY that I have examined the balance sheet and income statement 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.

Signed: \_\_\_\_\_

Officer or Owner of Debtor(s): \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Yes  No Cash Flow Statements for the periods covered by the balance sheets. If the date of the request for an extended repayment schedule is more than three (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.

Yes  No Projected Cash Flow Statement covering the remainder of the current fiscal year. If fewer than six (6) months remain, a projected cash flow statement for the following year should be included

Yes  No List of restricted cash funds by amounts as of the date of request and the purpose for which each fund is to be used. Yes – No List of investments by type (stock, bond, etc.), amount, and current market value as of the date of the report.

- Yes  No List of notes and mortgages payable by amounts as of the date of the report, and their due dates.
- Yes  No Schedule showing amounts due to and from related companies or individuals included in the balance sheets. The schedule should 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.
- Yes  No Schedule showing types and amounts of expenses (included in the income statements) paid to related organizations. The names of the related organizations should be shown.
- Yes  No The percentage of occupancy by type of patient (Medicare, Medicaid, private pay) covered by the income statements.
- Yes  No A request for an extended repayment of thirty-six (36) months or more must also be accompanied by at least one letter from a financial institution denying the debtor's loan request for the amount of the overpayment. Also, include a copy of the loan application with the denial letter from the bank. The thirty-six (36) month time frame begins on the date of the first demand letter.
- Yes  No First payment according to proposed repayment schedule.
- Yes  No Copy of the overpayment notification letter.

**Note:** If you are unable to furnish some of the documentation, you should fully explain why.

Your first payment, referenced "ERS Request," should be made payable to Noridian and mailed to:

Noridian JA DME  
Attention: Extended Repayment Schedule  
PO Box 511470  
Los Angeles, CA 90061-8025

Fax a copy of your check and above requested information to:

Noridian at 701-277-2427  
Attention: JA DME RCP: Extended Repayment Schedule

Submit all items circled "NO" within 15 days from the date of the first overpayment letter to avoid the withholding of your remittance advices.

For more information, see

[lnasd01s00-eth0-0.noridian.com:8443/web/jadme/claims-appeals/overpayment-recoupment/ers](https://lnasd01s00-eth0-0.noridian.com:8443/web/jadme/claims-appeals/overpayment-recoupment/ers)