

## 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) 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 A completed Form CMS-379
- Yes  No Income Tax Statements from the most recent calendar year
- 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: 701-277-2427

Please submit all items checked "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)