

ALABAMA QUALITY ASSURANCE FOUNDATION

**GENERAL MEMORANDUM 96/99-14**

**FOR IMMEDIATE DISTRIBUTION TO YOUR MEDICAL RECORDS  
DEPARTMENT, BUSINESS OFFICE AND UR/QA DEPARTMENTS**

**TO:** ADMINISTRATORS, CHIEFS OF STAFF, all Alabama PPS Hospitals,  
Medicare Fiscal Intermediaries and Carrier

**FROM:** H. Terrell Lindsey  
President and Chief Executive Officer

**DATE:** January 6, 1999

**SUBJECT:** Discontinuation of PrePayment Review of Higher Weighted DRGs

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- I. This General Memorandum is to notify you of HCFA's decision to **discontinue** **prepayment review** of Higher Weighted DRGs. This memo replaces General Memorandum 96/98-08 reminding providers of the process to obtain reimbursement for resubmitted claims resulting in higher paying DRGs. Review of these claims will take place **retrospectively**.
- II. Effective January 1, 1999, the Medicare Fiscal Intermediary (FI) will no longer suspend payment on adjustment claims submitted by your facility requesting payment for a higher weighted DRG. After the claim has been processed and paid by the FI, AQAF will select the case for retrospective review. AQAF will notify the FI and hospital only if the adjusted DRG is not approved. Hospitals will have opportunity to respond within 60 days of a denial if they disagree with the PRO determination.
- III. Hospitals should continue to submit claims for higher-weighted DRGs to the FI within 60 days of payment of the original claim. Claims submitted past the 60-day limit will be returned to the hospital as instructed in the Medicare Provider Manual, Section 411.2.
- IV. Questions concerning this memorandum should be addressed to Dixie Ragland, Review Operations Supervisor, (205) 970-1600, ext 3207 or Pat Burgess, Review Operations Manager, (205) 970-1600, ext 3222.

cc: Provider contact person; AQAF Board of Directors; F.Richards, M.D., FMQAI; Patty Rawlings, PO/DHHS; M. Horsley/AlaHA; Cary Kuhlman/MASA; Frazer Rolen/AlaHA-B'ham; Jane M. Cottos/OIG-DHHS; Lynda Northcutt/BC/BS; Trish Myler/MoO