



Date: 11/18/2011

STEVEN IKETCHUM
345 CHAMPION BLVD
APT 1013
SAN MARCOS, TX 786660000

FIRST REQUEST

RE : Claims Accounts Receivable - MMA 935
Provider Name: STEVEN IKETCHUM
Provider Number: 023406295A
Outstanding Balance: \$656,750.00

Dear Sir/Madam,

This is to inform you that you have received a Medicare payment in error which has resulted in an overpayment subject to the 935, Limitation on Recoupment in the amount of \$656,750.00. The purpose of our letter is to request that this amount be repaid to our office. The attached listing explains how this happened.

This finding was a result of a Recovery Audit Program review. If you have any questions relating to this letter or the recoupment process, you should contact us at 866-830-3455. If you have any questions relating to the review rationale, or you feel that this finding is in error and would like to submit additional documentation or discuss the issue further, please contact the Recovery Auditor. If you are unable to locate the name and contact information for the Recovery Auditor from prior correspondence, please contact the Medicare Administrative Contractor at the above number for further information.

Why you are responsible:

You are responsible for being aware of correct claim filing procedures and must use care when billing and accepting payment in this situation, you billed and/or received payment for services you should have known you were not entitled to. Therefore, you are not without fault and are responsible for repaying the overpayment amount. If you dispute this determination please follow the appropriate appeals process listed below. Applicable authorizes: Section 1870(b)(c) of the Social Security Act, Subsections 405.350 - 405.359 of Title 42 CFR, Subsections 404.506 - 404.509, 404.510a and 404.512 of Title 20 of the United States Code of Federal Regulations and 20 CFR.

What you should do:

Please return the overpaid amount to us by 12/17/2011 and no interest charge will be assessed.

We request that you refund this amount in full. If you are unable to make refund of the entire amount at this time, advise this office immediately so that we may determine if you are eligible for a repayment plan. (See enclosure for details.) Any repayment plan (where one is approved) would run from the date of this letter.

Make the check payable to Medicare Part A and send it with **a copy of this letter** to:

Palmetto GBA, LLC
P.O. Box 100277
Columbia, SC 29202-3277

Payment Withholding:

If payment in full is not received by 12/17/2011, payments to you can be withheld (Recoupment) until payment in full is received or if you have not submitted an acceptable extended repayment request and/or a valid and timely appeal is received.

Rebuttal Process:

Under our existing regulations 42 CFR sections 405.374, Providers and other Suppliers will have 15 days from the date of this demand letter to submit a statement of opportunity to rebuttal. The rebuttal process provides the debtor the opportunity to submit a statement and/or evidence stating why recoupment should not be initiated. The outcome of the rebuttal process could change how or if we recoup. If you have reason to believe the withhold should not occur on **12/28/2011**, you must notify this office before **12/02/2011**. We will review your documentation. Our office will advise you of our decision in 15 days from receipt of your request. However, this is not an appeal of the overpayment determination, and it will not delay recoupment before a rebuttal response has been rendered.

The rebuttal statement does not cease recoupment activities consistent with section 935 of the MMA.

How to Stop Recoupment:

Even if the overpayment and any assessed interest has not been paid in full you can stop Medicare from recouping any payments. If you act quickly and decidedly, Medicare will permit providers to **stop recoupment** at two points. The first occurs if we receive a valid and timely request for a redetermination within 30 days from the date of this letter. We will stop or delay recoupment pending the results of the appeal.

We will again stop recoupment if, following an **unfavorable or partially favorable redetermination** decision if you decide to act quickly and file a valid request for reconsideration with the Qualified Independent Contractor (QIC). The address and details on how to file a request for reconsideration will be included in the redetermination decision letter.

What are the timeframes to stop recoupment:

First Opportunity: To assist us in expeditiously stopping the recoupment process, we request that you clearly indicate on your appeal request that this is a 935 overpayment appeal for a redetermination to:

Palmetto GBA, LLC - 935 APPEALS REDETERMINATION
J11 Overpayments Appeals
PO Box 100143
Columbia, SC 29202-3143

Second Opportunity: If the redetermination decision is 1) **unfavorable** we can begin to recoup **no earlier than the 60th day** from the date of the Medicare redetermination notice (Medicare Appeal Decision Letter), or 2) if the decision is **partially favorable** we can begin to recoup no earlier than the 60th day from the date of the Medicare revised overpayment Notice/Revised Demand Letter. Therefore, it is important to act quickly and decidedly to limit recoupment by requesting a valid and timely reconsideration within 60 days of the appropriate notice/letter. The address and details on how to file a request for reconsideration will be included in the redetermination decision letter.

What Happens following a reconsideration by a Qualified Independent Contractor (QIC):

Following **decision or dismissal** by the QIC, if the debt has not been paid in full, we will begin or resume recoupment whether or not you appeal to the next level of Administrative Law Judge (ALJ).

NOTE: Even when recoupment is stopped, interest continues to accrue.

Interest Assessment:

If you do not refund in 30 days: In accordance with 42 CFR 405.378 simple interest at the rate of 10.875 percent will be charged on the unpaid balance of the overpayment beginning on the 31st day. Interest is calculated in 30-day periods and is assessed for each full 30-day period that payment is not made on time. Thus, if payment is received 31 days from the date of final determination, one 30-day period of interest will be charged. Each payment will be applied first to accrued interest and then to principal. After each payment interest will continue to accrue on the remaining principal balance, at the rate of 10.875 percent. In addition, please note that Medicare rules require that payment be either received in our office by 12/17/2011 or use the United States Postal Service Postmark by that date for the payment to be considered timely. A

metered mail postmark received in our office after 12/17/2011 will cause an additional month's interest to be assessed on the debt.

Medicaid Offset:

If this matter is not resolved, CMS may instruct the Medicaid State Agency to withhold the Federal share of any Medicaid payments that may be due you or related facilities until the full amount owed Medicare is recouped, Title 42 CFR, Section 447.30(g). These recoveries will be in addition to any recoupments from other Medicare funds due you until the full amount owed to Medicare is recovered.

If you wish to appeal this decision:

If you disagree with this overpayment decision, you may file an appeal. An appeal is a review performed by people independent of those who have reviewed your claim so far. The first level of appeal is called a redetermination. You must file your request for a redetermination within 120 days from the date of this letter. Unless you show us otherwise, we assume you received this letter 5 days after the date of this letter. Please send your request for redetermination to:

Palmetto GBA, LLC - 935 APPEALS REDETERMINATION
J11 Overpayments Appeals
PO Box 100143
Columbia, SC 29202-3143

If you have filed a bankruptcy petition:

If you have filed a bankruptcy petition or are involved in a bankruptcy proceeding, Medicare financial obligations will be resolved in accordance with the applicable bankruptcy process. Accordingly, we request that you immediately notify us about this bankruptcy so that we may coordinate with both the Centers for Medicare & Medicaid Services and the Department of Justice so as to assure that we handle your situation properly. If possible, when notifying us about the bankruptcy please include the name the bankruptcy is filed under and the district where the bankruptcy is filed.

Should you have any questions, please contact your overpayment consultant at the following:

Part A - Hospice: 866-830-3925
Part A - Home Health: 866-830-3925
Provider - Part A: 866-830-3455

If you have any questions about the review itself, please contact the Recovery Auditor within your jurisdiction.

We look forward to hearing from you shortly.

Sincerely,

Supervisor, Part A Overpayments
Palmetto GBA, LLC

Enclosures: How This Overpayment Was Determined
Extended Repayment Plan Request

Invoice Number: HCR1087_30

Claim No.	Beneficiary Name	HIC No.	Service Date From	Service Date To	Amount Overpaid	Paid Date	Performing Provider No.
325658					\$656,750.00	11/11/2011	023406295A

Reason for Overpayment:

APPLYING FOR AN EXTENDED REPAYMENT PLAN

- * Anytime a provider needs longer than thirty (30) days to repay the full amount of an overpayment, the provider should request an extended repayment plan (ERP). While a provider may request an ERP at any time during the debt collection process, submittal within the first 15 days may decrease the necessity to withhold all interim payments.
- * If the ERP request is received within 15 days of the date of the demand letter and it is complete and first payment is included, 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 us 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 we do not hear from the provider regarding an ERP application within 15 days from the date of the demand letter we will begin to recoup the overpayment by withholding a percentage of interim payments.
- * Any payments withheld will be applied to the outstanding overpayment and will not be refunded.
- * Any request for an ERP greater than 12 months must be forwarded to CMS for approval.
- * Any approved ERP will run from the date of the initial 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, we may initiate withhold of interim payments.
- * Any questions should be directed to an ERP Analyst at 866-830-3455

DOCUMENTATION SUPPORTING A REQUEST FOR EXTENDED REPAYMENT

All the listed items must be submitted to the carrier in order to begin the process of determining financial hardship. If you are unable to furnish one or more of the required documents, please submit a statement explaining the reason for the delay or inability.

Payee Number: _____
Invoice Number: _____

Items Included?

Yes / No

- A written request must be submitted 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. If more than one overpayment exists, a separate request must be made for each overpayment. However, the intermediary may establish the same payment date for each overpayment and may include knowledge of both overpayments in its review of the provider's request.
 - Amortization Schedule - This schedule shall contain the proposed repayment schedule, including length of schedule, dates of payment, and payment amount broken down.
 - Balance Sheets- The most current balance sheet and the one for the last complete Medicare reporting period (preferably prepared and certified 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 Medicare reporting periods in addition to the most current balance sheet.
- Income Statements related to the balance sheets (preferably prepared by your accountant).
 - Statement of Sources and Application of Funds - For the periods covered by the income statements (see the Medicare online instructions (Exhibit 2 for recommended format)).
 - Cash Flow Statements - For the periods covered by the balance sheets. If the date of the request for an extended repayment plan 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.
 - 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.
 - Amount of outstanding accelerated payments. (If any were issued to the provider.)
 - List of restricted cash funds - by amounts as of the date of request and the purpose for which each fund is to be used.
 - List of investments - by type (stock, bond, etc.), amount, and current market value as of the date of the report.

- List of notes and mortgages payable - by amounts as of the date of the report, and their due dates.
- 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.
- 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.
- The percentage of occupancy by type of patient (Medicare, Medicaid, private pay) covered by 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.

All Requests:

- Requests for extended repayment of more than twelve (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.
- First payment according to proposed repayment plan.
- Copy of the overpayment notification letter or a copy of the settlement page of the as filed cost report indicating the amount of the overpayment. If the provider is unable to furnish some of the documentation, it should fully explain why it is unable to.

Your first payment, referenced "ERS Request", should be made payable to MEDICARE FEDERAL HIB and mailed directly to:

Palmetto GBA, LLC
 Medicare Finance (AG-260)
 P.O. Box 100277
 Columbia, SC 29202-3277.

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

Palmetto GBA, LLC
 ERP Consultant (AG-340)
 2300 Springdale Drive
 Bldg. One
 Camden, SC 29020.

Please submit all items checked "NO" within 10 days from the date of this letter.

Please ensure that all balance sheets and income statements include the following statements:

BALANCE SHEET OR INCOME STATEMENT MAY BE PUNISHABLE BY FINE AND/OR IMPRISONMENT UNDER FEDERAL LAW.

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 DEBTOR.

SIGNED: _____

OFFICER OR OWNER OF DEBTOR(S): _____

TITLE: _____

DATE: _____