Section: Claims	Policy Name: **MHL – Claims Overpayments**	Policy Number: **MHL 09.02**
Owner: **Chief Administrative Officer**	Reviewed By: **Anne Wickham**	Total Pages: **4**
Required By: ☒ **BBA** ☐ **MDHHS** ☐ **NCQA** ☒ **Other (please specify):** **See Reference Section**	Final Approval By: Anne Wickham	Date Approved: 11/1/19
Application: ☐ **SWMBH Staff/Ops** ☐ **Participant CMHSPs** ☐ **SUD Providers** ☐ **MH/IDD Providers** ☐ **Other (please specify):** _____	Line of Business: ☐ **Medicaid** ☐ **Other (please specify):** ☐ **Healthy Michigan** _____ ☐ **SUD Block Grant** ☐ **SUD Medicaid** ☐ **MI Health Link**	Effective Date: **11/1/2019**

Policy: In accordance with State and Federal Guidelines for the recovery of overpayment to providers, the Southwest Michigan Behavioral Health (SWMBH) claims staff will initiate recovery of overpayments for providers that were a result of a number of scenarios, including, but not limited to the following:

A. Overpayments made to providers that are discovered by SWMBH
B. Overpayments made to providers that are initially discovered by the provider and made known to SWMBH.
C. Overpayments that are discovered through external agency audit.

SWMBH will recover or attempt to recover any overpayment. Notification of an overpayment to provider will be done in writing with reasonable actions to attempt to recover the overpayments. Once SWMBH has identified an overpayment and has captured the appropriate documentation that addresses the overpayment (i.e. cost report, provider correspondence, claim audit details, etc.), SWMBH will maintain a separate record of all overpayment activities for each provider in a manner that satisfies the 3-year retention and access requirements.

Purpose: To establish a standard policy on the identification and processing of overpayments for a Provider. A Medicaid overpayment occurs where the Medicaid payment exceeds what should have been paid. Examples of situations in which a Provider is liable for an overpayment are as follows:

A. The patient was not eligible for Medicaid at the time the services was provided
B. Medicaid has made a payment where there was another responsible payer
C. The services were not Medicaid-covered
D. The services were covered but not medically necessary
E. Medicaid was the responsible payer for a medically necessary, covered service but the payment amount was incorrect and excessive.
F. Due to a mathematical or clerical error

G. SWMBH paid for services that the Provider should have known were not covered

This process initiates when the following occurs:

A. The provider submits notification indicating an overpayment exists

B. An overpayment is identified as a result of an internal claim audit analysis by payor

Scope: Operations

Responsibilities: Claims processors

Definitions:

A. Discovery: Identification by any State Medicaid agency official or other State official, the Federal Government, or the provider of an overpayment, and the communication of that overpayment finding or the initiation of a formal recoupment action without notice.

B. Provider: Any individual or entity furnishing Medicaid Services under a provider agreement with the Medicaid Agency.

C. Overpayment: Amount paid by a Medicaid agency to a provider which is in excess of the amount that is allowable for services furnished under section 1902 of the Act and which is required to be refunded under section 1903 of the Act.

D. Recoupment: Any formal action by the State or its fiscal agent to initiate recovery of an overpayment without advance official notice by reducing future payments to a provider.

Standards and Guidelines:

Claims Processor handling potential overpayment via Claims System

A. The claims processor will review the claim history for member to confirm overpayment

B. If overpayment exists, go to step 5 (section E)

C. If no overpayment exists, go to Step 4 (section D)

D. The processor will document findings within claim system that claims review did not confirm an overpayment and close out case.

E. Adjust or deny the claim per claim adjustment guidelines and note the reason for denial. The reason for denial will always be noted for denials that are a result of a compliance audit.

F. For providers that do not have a regular claim history with SWMBH, or the overpayment amount is considered high dollar, go to Step 7 (section G). For providers that submit claims on a regular basis, adjust the claim and apply any negative adjustment to claim. *(Note: Claims processor will determine if provider submits claims on a regular basis after review of previous claim history for Provider)*. The negative adjustment will be removed once future claims are offset and overpayment amount is satisfied. If overpayment amount is not met within 30 days, a demand letter will be issued.

G. Issue overpayment demand letter to provider that includes the following details: (42 CFR 433.316)

1. That an overpayment was made
2. The interest will begin to accrue if the overpayment is not paid in full within 30 days
3. The name and member identification number of the member/patient involved
4. How the overpayment was calculated
5. Why it is liable for recovery of overpayment (i.e. the reasons for finding the provider at fault)
6. That recoupment of the overpayment from all available payment is occurring

7. A reference to the appeals rights in the remittance advice

H. Document in the claim notes the overpayment and claims Comments box.

I. Gather the following documentation to create a hard copy file to be given to the Corporate Compliance Department for possible compliance investigation.
   1. Claim notes
   2. Copy of claim
   3. Copy of cost report, cashed check, email, etc.

Procedures: None

Effectiveness Criteria: None

References:

A. 42 CFR; 433.300
B. 42 CFR 433.304
C. 42 CFR 433.312
D. 42 CFR 433.316
E. Section 1903(d)(2)(C) and (D) of the Social Security Act
F. 42 CFR 433.310
G. 42 CFR 433.322-Maintenance of Records
H. 45 CFR 92.42-Retention and Access Requirements for Records

Attachments: None

Southwest Michigan BEHAVIORAL HEALTH

Revision History

Revision #	Revision Date	Revision Location	Revision Summary	Revisor
1	10/29/19		New template	A. Wickham