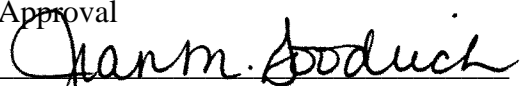


Chapter 4: Fiscal Policies & Procedures	Effective Date: 11/1/18
Section 4.1: External Claims	Replaces Policies Dated: 9/11/17, 12/8/16, 1/19/15, 2/14/13
Policy 4.1.5: Overpaid Claims	Board Policy Reference: No. 03-005, 03-007 (Oversight)
Approval  By: Jean M. Goodrich, CEO Date: 11/1/18	Responsibility: Finance Director

<p>PURPOSE: To establish a standard policy on the identification and processing of overpayments for a Provider.</p>
<p>POLICY: It is the policy of Summit Pointe to establish and maintain procedures for the timely submission and processing of claims for external contractors within its provider network that meet regulatory standards and encompass an avenue for claims appeal and dispute resolution.</p>
<p>DEFINITIONS: <p>Discovery – Identification by any State Medicaid agency 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.</p> <p>Providers – Contracted providers of authorized services for Summit Pointe customers.</p> <p>Overpayment – Amount paid by a Medicaid agency to a provider, which is in excess of the amount that is allowable for the service furnished under §1902 of the Social Security Act (SSA), and which is required to be refunded under §1903 of the SSA.</p> <p>Recoupment – Any formal action by the State or its fiscal agent to initiate recovery of an overpayment by reducing future payments to a provider.</p> </p>
<p>PROCEDURES / REQUIREMENTS: <p>Reasons for Overpayments – A Medicaid overpayment occurs when the Medicaid payment exceeds what should have been paid. Examples of situations in which an external provider is liable for an overpayment area as follows:</p> <ul style="list-style-type: none"> • The customer was not eligible for Medicaid at the time the service was provided or the wrong customer was reported on a claim. • Medicaid made a payment when there was another responsible payer. • The services were not covered by Medicaid. • The services were covered, but not medically necessary. </p>

- Medicaid was the responsible payer for a medically necessary, covered service, but the payment amount was incorrect or excessive.
- Due to a mathematical, clerical, or system error.
- Summit Pointe paid for services that the Provider should have known were not covered.

Notification/Review Process –In accordance with State and Federal guidelines for the recovery of overpayments to providers, the Summit Pointe 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:

- Overpayments made to providers that are discovered by Summit Pointe.
- Overpayments made to providers that are initially discovered by the external provider and made known to Summit Pointe.
- Overpayments that are discovered through external agency audit.

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

Summit Pointe has designated an individual/department to coordinate the review and recovery of overpaid claims. This individual/area will:

- Review the claim for all needed elements, such as claim number, member ID, date of service. If additional information is needed, it may be requested from the provider or from the individual who identified the overpayment.
- Review the claim for processing accuracy. If the claim is determined to have been processed correctly, notification is sent back to the individual who identified the overpayment with an explanation as to why the claim is processed correctly.
- Correct the claim in PCE and determine if the overpayment can be recovered through offset.

Issues related to notification and recovery of overpayments which are unable to be resolved locally, should be referred to Southwest Michigan Behavioral Health (SWMBH) for investigation and resolution.

Offsetting Future Claims Payments – Collection of overpayments through offset is the preferred method of recovery. However, offsetting cannot be used when there will be no future claims submitted by the overpaid provider or under the provider ID which generated the overpayment. This may occur when providers terminate their participating status or change their billing arrangements.

If the overpayment can be collected through offset, the claim will be corrected and re-adjudicated in PCE.

It is the claims department's responsibility to ensure proper communication to the provider. If the provider remittance advice generated from PCE will not fully explain the reason for offset,

the provider must be contacted. Record should be kept to support how this notification occurred.

Refund Checks – If the overpayment cannot be collected through offset, the claims department must notify the provider of the amount overpaid and reason.

- The provider will be notified in writing. Phone calls can be made to discuss the overpayment and collection follow-up, but are not used as the primary notification.
- Allow thirty (30) days for the refund to be received.
- A note will be placed on the claim in PCE to alert others that the request has been initiated.
- If payment is not received in thirty (30) days, a “Second Request” should be generated in writing.
- If payment is not received in sixty (60) days, a phone call will be made to the provider establishing a date for refund or to resolve any disputes. This contact should be confirmed in writing to the provider.
- If provider refuses to refund monies due, further action may be taken including contract termination, civil suit and/or reporting of provider to the Michigan Office of Inspector General for Medicaid.

REFERENCES:

§1903(d)(2)(C) and (D) of the Social Security Act (Recovery of Overpayments)
42 CFR 433.300 (Basis)
42 CFR 433.302 (Scope)
42 CFR 433.304 (Definitions)
42 CFR 433.310 (Applicability of Requirements)
42 CFR 433.312 (Basic Requirements for Refunds)
42 CFR 433.316 (When Discovery of Overpayment Occurs)
42 CFR 433.322 (Maintenance of Records)
42 CFR 92.42 (Retention and Access Requirements for Records)

ATTACHMENTS:

External Claims Overpayment Process Map