

**412 - CLAIMS REPROCESSING**

EFFECTIVE DATE: 10/01/08, 10/01/13, 12/01/14, 07/01/16

REVISION DATE: 09/01/09, 11/01/11, 07/01/12, 10/24/12, 08/15/13, 11/20/14, 04/07/16

STAFF RESPONSIBLE FOR POLICY: DHCM OPERATIONS

**I. PURPOSE**

This Policy applies to Acute Care, ALTCS/EPD, CRS, DCS/CMDP (CMDP), DES/DDD (DDD), and RBHA Contractors. This Policy establishes guidelines for Contractors for claims recoupment and refund activities.

**II. DEFINITIONS****DAY** Calendar day unless otherwise specified.**PROVIDER** Any person or entity that contracts with AHCCCS or a Contractor for the provision of covered services to members according to the provisions A.R.S. §36-2901 et seq. or any subcontractor of a Provider delivering such services. For the purposes of this Policy, a Provider delivering services pursuant to A.R.S. §36-2901.**RECOUPMENT** An action initiated by the Contractor to recover all or part of a previously paid claim(s). Recoupments include Contractor initiated/requested repayments, as well as overpayments identified by the Provider where the Contractor seeks to actively withhold or withdraw funds to correct the overpayment from the Provider. For purposes of this Policy, a recoupment is a recovery and subsequent repayment of a claim(s) with a differential greater than \$50,000 that is not completed within 30 days. An adjustment that is greater than \$50,000 and is completed within 30 days is not considered a recoupment but must be tracked and made available to AHCCCS upon request. The information tracked should include, at a minimum, the AHCCCS Member ID number, date(s) of service, original claim number, date of payment, amount paid, amounts recovered and subsequently repaid, and dates of recovery and repayment.**REFUNDS** An action initiated by a Provider to return an overpayment to a Contractor. In these instances the Provider writes a check or transfers money to the Contractor directly.

### III. POLICY

The Contractor is responsible for reimbursing providers and coordinating care for services provided to a member pursuant to state and federal regulations, including, but not limited to A.A.C. R9-22-701 et seq., A.A.C. R9-28-701 et seq.

The Contractor is required to follow AHCCCS recoupment policies as outlined in Contract and Policy. For requirements for adjudication and payment of claims and encounters refer to ACOM Policy 203. The Contractor's claims processes, as well as its prior authorization, and concurrent and retrospective review processes, must minimize the likelihood of having to recoup already-paid claims.

#### A. INDIVIDUAL RECOUPMENTS IN EXCESS OF \$50,000

Prior to initiating any individual recoupment in excess of \$50,000 per Provider Tax Identification Number (TIN), the Contractor must submit a written request for approval as specified in Contract, Section F, Attachment F3, Contractor Chart of Deliverables and RBHA Contract, Exhibit-9, Deliverables or earlier if the information is available, in the format detailed below:

1. A detailed letter of explanation must be submitted that describes:
  - a. How the need for recoupment was identified,
  - b. The systemic causes resulting in the need for a recoupment,
  - c. The process that will be utilized to recover the funds,
  - d. Methods to notify the affected Provider(s) prior to recoupment,
  - e. The anticipated timeline for the project,
  - f. The corrective actions that will be implemented to avoid future occurrences,
  - g. Total recoupment amount, total number of claims, range of dates for the claims being recouped, and total number of Providers impacted, and
  - h. Other recoupment action specific to this Provider within the contract year.
2. An electronic file containing the following:
  - a. AHCCCS Member ID,
  - b. Date of Service,
  - c. AHCCCS Original Claim Number,
  - d. AHCCCS CRN, if available,
  - e. Date of Payment,
  - f. Amount Paid, and
  - g. Amount to be Recouped.
3. A copy of the written communication that will serve as prior notification to the affected Provider(s). The communication must include a minimum:
  - a. How the need for the recoupment was identified,
  - b. The process that will be utilized to recover the funds,
  - c. The anticipated timeline for the recoupment,
  - d. The provider's right to file a claim dispute,

- d. Total recoupment amount, total number of claims and ranges of dates for the claims being recouped, and
- e. Listing of impacted claim numbers.

The written communication must be approved by AHCCCS prior to being sent to the Provider(s).

**B. RECOUPMENT OF PAYMENTS INITIATED MORE THAN 12 MONTHS FROM THE DATE OF ORIGINAL PAYMENT**

The Contractor is prohibited from initiating recoupment of monies from a Provider TIN more than 12 months from the date of original payment of a clean claim unless approval is obtained from AHCCCS. Retroactive recoveries involving commercial insurance payor sources are not included in this discussion. For Coordination of Benefits involving third party liability recoveries see ACOM Policy 434.

To request approval from AHCCCS, the Contractor must submit a request in writing as specified in Contract, Section F, Attachment F3, Contractor Chart of Deliverables and RBHA Contract, Exhibit-9, Deliverables with all of the following information:

1. A detailed letter of explanation must be submitted that describes:
  - a. How the need for recoupment was identified,
  - b. The systemic causes resulting in the need for a recoupment,
  - c. The process that will be utilized to recover the funds,
  - d. Methods to notify the affected Provider(s) prior to recoupment,
  - e. The anticipated timeline for the project,
  - f. The corrective actions that will be implemented to avoid future occurrences, and
  - g. Total recoupment amount, total number of claims, range of dates for the claims being recouped, and total number of Providers impacted.
2. An Electronic file containing the following:
  - a. AHCCCS Member ID,
  - b. Date of Service,
  - c. AHCCCS Original Claim Number,
  - d. AHCCCS CRN, if available,
  - e. Date of Payment,
  - f. Amount Paid, and
  - g. Amount to be recouped.
3. A copy of the written communication that will serve as prior notification to the affected Provider(s). The communication must include at a minimum:
  - a. How the need for the recoupment was identified,
  - b. The process that will be utilized to recover the funds,
  - c. The anticipated timeline for the recoupment,
  - d. The provider's right to file a claim dispute,

- d. Total recoupment amount, total number of claims and ranges of dates for the claims being recouped, and
- e. Listing of impacted claim numbers.

The written communication must be approved by AHCCCS prior to being sent to the Provider(s).

#### **C. CUMULATIVE RECOUPMENTS IN EXCESS OF \$50,000 PER PROVIDER PER CONTRACT YEAR**

Contractors must continuously track recoupment efforts per Provider TIN. When recoupment amounts for a Provider TIN cumulatively exceed \$50,000 during a contract year (based on recoupment date), the Contractor must report the cumulative recoupment monthly as outlined in the AHCCCS Claims Dashboard Reporting Guide.

#### **D. AHCCCS RESPONSIBILITY AND AUTHORITY**

AHCCCS reserves the right to evaluate and to present the proposed recoupment action to the affected Providers as part of the approval and or notification process. Communication will be at the timing and discretion of the Agency.

The AHCCCS Division of Health Care Management (DHCM) will review all requests for recoupment, evaluating such factors as validity, accuracy, and efficiency of Contractor processes. DHCM will also evaluate the proposed recoupment for the purposes of minimizing provider hardship or inconvenience. DHCM will acknowledge all requests in writing through electronic mail upon receipt of the completed file. A written determination will be sent to the Contractor by electronic mail contingent upon receipt of all required information from the Contractor.

#### **E. DATA PROCESSES FOR RECOUPMENT**

Upon receipt of approval for recoupment from AHCCCS, the Contractor shall have no more than 120 days to complete the project and submit the following as stated in Contract, Section F, Attachment F3, Contractor Chart of Deliverables and RBHA Contract, Exhibit-9, Deliverables:

1. Notification of the submission for the voided or replacement encounters (which must reach adjudicated status) and the appropriate associated information for all impacted encounters for recouped claims;
2. Upon completion of the recoupment project, a separate electronic file containing all of the following information for all recouped claims (this is independent of the 837 file(s) submitted through Encounters):
  - a. AHCCCS Member Identification number,
  - b. Date of Service,
  - c. Original AHCCCS CRN,

- d. New AHCCCS CRN,
- e. Health Plan Allowed amount,
- f. Health Plan Paid amount, and
- g. Provider Identification Number.

The Contractor must submit the above information for each adjudicated encounter.

Dependent on the size and/or volume of the recoupment request, AHCCCS may require the Contractor to submit an external file in order to directly update impacted encounters in the timeframe prescribed above.

Failure to submit complete information within the specified timeframe will be considered a violation of the contract and may result in compliance action. AHCCCS will validate the submission of applicable voided and replacement encounters upon completion of this project. As a result of amending the encounter data, AHCCCS may adjust related reinsurance payments, reconciliation payments, or any other amounts paid to the Contractor that are impacted by the recoupment.

#### **F. DATA PROCESSES FOR REFUNDS**

Upon receipt of refund from a Provider, the Contractor shall have 120 days from the date of the refund to void or replace related encounters. All voided or replaced encounters must reach an adjudicated status within the 120 day timeframe.

1. The Contractor must also be able to identify the following for all refunds received and provide this information to AHCCCS upon request:
  - a. The systemic causes resulting in the need for the refund and/or an explanation of why the refund occurred,
  - b. The corrective actions that will be implemented to avoid future occurrences, if applicable,
  - c. Cumulative refund amount, total number of claims and range of dates for the claims impacted by the refund, and
  - d. List of impacted claim numbers.

#### **G. ATTESTATION**

All documentation and data submitted by the Contractor for purposes of recoupment and refund activities must be certified by the Contractor as specified in the Medicaid Managed Care Regulations 42 CFR 438.600 et seq. If it is determined after the recoupment or refund action that information provided to AHCCCS is inaccurate, invalid, or incomplete, or that the Contractor failed to comply with any provision of this Policy, the Contractor may be subject to corrective action, up to and including sanctions.

#### **IV. REFERENCES**

- Acute Care Contract, Section D
- ALTCS/EPD Contract, Section D
- DCS/CMDP Contract, Section D
- CRS Contract, Section D
- DES/DDD Contract, Section D
- Contract, Section F, Attachment F3, Contractor Chart of Deliverables
- RBHA Contract, Scope of Work
- RBHA Contract, Exhibit-9, Deliverables
- A.A.C. R9-22 Article 7 (R9-22-701 et seq.)
- A.A.C. R9-28 Article 7 (R9-28-701 et seq.)
- A.R.S. §36-2901
- 42 CFR 438.600 et seq.
- ACOM Policy, 203
- ACOM Policy, 434
- AHCCCS Claims Dashboard Reporting Guide

IMPLEMENTATION 07/01/16