



# REIMBURSEMENT POLICY STATEMENT

## Marketplace

| Policy Name & Number            | Date Effective |
|---------------------------------|----------------|
| Overpayment Recovery-MP-PY-1393 | 05/01/2024     |
| Policy Type                     |                |
| <b>REIMBURSEMENT</b>            |                |

Reimbursement Policies prepared by CareSource and its affiliates are intended to provide a general reference regarding billing, coding and documentation guidelines. Coding methodology, regulatory requirements, industry-standard claims editing logic, benefits design and other factors are considered in developing Reimbursement Policies.

In addition to this Policy, Reimbursement of services is subject to member benefits and eligibility on the date of service, medical necessity, adherence to plan policies and procedures, claims editing logic, provider contractual agreement, and applicable referral, authorization, notification and utilization management guidelines. Medically necessary services include, but are not limited to, those health care services or supplies that are proper and necessary for the diagnosis or treatment of disease, illness, or injury and without which the patient can be expected to suffer prolonged, increased or new morbidity, impairment of function, dysfunction of a body organ or part, or significant pain and discomfort. These services meet the standards of good medical practice in the local area, are the lowest cost alternative, and are not provided mainly for the convenience of the member or provider. Medically necessary services also include those services defined in any federal or state coverage mandate, Evidence of Coverage documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other policies and procedures.

This Policy does not ensure an authorization or Reimbursement of services. Please refer to the plan contract (often referred to as the Evidence of Coverage) for the service(s) referenced herein. If there is a conflict between this Policy and the plan contract (i.e., Evidence of Coverage), then the plan contract (i.e., Evidence of Coverage) will be the controlling document used to make the determination.

CareSource and its affiliates may use reasonable discretion in interpreting and applying this Policy to services provided in a particular case and may modify this Policy at any time.

According to the rules of Mental Health Parity Addiction Equity Act (MHPAEA), coverage for the diagnosis and treatment of a behavioral health disorder will not be subject to any limitations that are less favorable than the limitations that apply to medical conditions as covered under this policy.

### This policy applies to the following Marketplace(s):

|  |  |   |   |  |
|--|--|---|---|--|
| <input checked="" type="checkbox"/> <b>Georgia</b> | <input checked="" type="checkbox"/> <b>Indiana</b> | <input checked="" type="checkbox"/> <b>Kentucky</b> | <input checked="" type="checkbox"/> <b>Ohio</b> | <input checked="" type="checkbox"/> <b>West Virginia</b> |
|--|--|---|---|--|

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## A. Subject

### **Overpayment Recovery**

## B. Background

Reimbursement policies are designed to assist you when submitting claims to CareSource. They are routinely updated to promote accurate coding and policy clarification. These proprietary policies are not a guarantee of payment. Reimbursement for claims may be subject to limitations and/or qualifications. Reimbursement will be established based upon a review of the actual services provided to a member and will be determined when the claim is received for processing. Health care providers and their office staff are encouraged to use self-service channels to verify member's eligibility.

It is the responsibility of the submitting provider to submit the most accurate and appropriate CPT/HCPCS code(s) for the product or service that is being provided. The inclusion of a code in this policy does not imply any right to reimbursement or guarantee claims payment.

Retrospective review of claims paid to providers assist CareSource with ensuring accuracy in the payment process. CareSource will request voluntary repayment from providers when an overpayment is identified.

Fraud, waste and abuse investigations are an exception to this policy. In these investigations, the look back period may go beyond 2 years.

## C. Definitions

- **Claims Adjustment** – Adjustment is defined as a claim that was previously adjudicated and is being updated for one of the following reasons:
  - denied as a zero payment
  - a partial payment
  - a reduced payment
  - a penalty applied
  - an additional payment
  - a supplemental payment
- **Coordination of Benefits (COB)** – A payment from another carrier that is received after a payment from CareSource; and the other carrier is the primary insurance for the member.
- **Credit Balance / Negative Balance** – Funds that are owed to CareSource as a result of a claim adjustment.
- **Explanation of Payment (EOP)** – The EOP or contains the payment and adjustment information for claims the provider has submitted for payment to CareSource.
- **Forwarding Balance (FB)** – An adjustment that occurs within an EOP to a claim with a prior paid amount. The FB amount does not indicate funds have been withheld from the provider's payment for this remittance advice. It only indicates that a past

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- claim has been adjusted to a different dollar amount and that funds are owed to CareSource.
- **Improper Payment** – A payment that should not have been made or an overpayment was made. Examples include, but are not limited to:
    - o payments made for an ineligible member
    - o ineligible service payments
    - o payments made for a service not received
    - o duplicate payments
  - **Overpayment** – Any payment made to a network provider by a Managed Care Organization (MCO) to which the network provider is not entitled to under Title XIX of 42 CFR.
    - o A claim adjustment is only considered to result in an overpayment when a claim that previously paid is updated to a denied status as a zero payment or results in a reduced payment.
  - **Provider Level Balancing (PLB)** – Adjustments to the total check/remit amount occur in the PLB segment of the remit. The PLB can either decrease the payment or increase the payment. The sum of all claim payments (CLP) minus the sum of all provider level adjustments (in the PLB segment) equals the total payment (BPR, which means total payment within the EOP).
  - **Retroactive Eligibility** – A payment for a member who was retroactively terminated by the state. The member is not eligible for benefits.

#### D. Policy

- I. CareSource will provide all the following information when seeking recovery of an overpayment made to a provider:
  - A. the name and patient account number of the member to whom the service(s) were provided
  - B. the date(s) of services provided
  - C. the amount of overpayment
  - D. the reason for the recoupment
  - E. that the provider has appeal rights
- II. Overpayment Recoveries
  - A. Lookback period is 24 months from the claim paid date.
  - B. Advanced notification will occur 30 days in advance of recovery.
  - C. If the recovery occurs outside of original claim timely filing limits, the corrected claim submission timeframe is 60 days from the date of the recovery. Normal timely filing limits apply to corrected claims being submitted within original claim timely filing guidelines.
- III. Coordination of Benefit Recoveries
  - A. Lookback period is 12 months from claim paid date.
  - B. Advanced notification will occur 30 days in advance of recovery.
  - C. If the recovery occurs outside of original claim timely filing limits, the corrected claim submission timeframe is 60 days from the date of the recovery. Normal

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timely filing limits apply to corrected claims being submitted within original claim timely filing guidelines.

IV. Retro Active Eligibility Recoveries

- A. Lookback period is 24 months from claim paid date.
- B. Advanced notification will occur 30 days in advance of recovery.

V. Management of Claim Credit Balances.

- A. Regular and routine business practices, including, but not limited to, the updating and/or maintenance of a provider's record, can create claim credit balances on a provider's record. This may result in claim adjustments, both increases and/or decreases in claim paid amounts, and/or forward balancing may move a provider's record into a negative balance in which funds would be owed to CareSource. This information will be displayed on the EOP in the PLB section.
- B. Negative balance status and the associated reconciliation of that balance that is the result of a claim adjustment that increased the claim paid amount is not considered to be an overpayment recovery and does not fall under the terms of this policy.
  - 1. Claim Adjustment Example
    - a. A claim paid \$10 previously but was updated to pay \$12. The adjustment created a \$10 negative balance and paid the provider the full \$12 when adjusted, instead of the \$2 difference.
    - b. The \$10 negative balance is not considered to be an overpayment subject to the guidelines outlined in section D.I – D. IV.
  - 2. Overpayment Example
    - a. A claim previously paid \$12 but is updated to pay \$10. The claim adjustment with the \$2 reduced payment is subject to the guidelines outlines in section D.I – D. IV.
    - b. The reduced payment will trigger a 30-day advanced notification with the details related to the claim and overpayment.
- C. Reconciliation of negative balance status will be done through claims payment withholds for otherwise payable claims until the full negative balance has been offset, unless otherwise negotiated.
- D. Providers are notified of negative balances through EOPs and 835s. Providers are expected to use this information to reconcile and maintain their Accounts Receivable (AR) to account for the reconciliation of negative balances.
- E. Notification of negative balances and reconciliation of negative balances may not occur concurrently. Providers are expected to maintain their AR to account for the reconciliation of negative balances when they occur.

VI. In the event of any conflict between this policy and any written agreement between the provider and CareSource, that written agreement will be the governing document.

**E. State-Specific Information**

1. Georgia
  - a. Payment, GA. CODE § 33-20A-62 (2022).
2. Indiana
  - a. Claim Payment Errors, IND. CODE § 27-13-36.2-8 (2022).
  - b. Claim Overpayment Adjustment, IND. CODE § 27-13-36.2-9 (2022).
3. Kentucky
  - a. Resolution of Payment Errors – Retroactive Denial of Claims – Conditions, KY. REV. STAT. § 304.17A-708 (2024).
  - b. Collection of Claim Overpayments – Dispute Resolution, KY. REV. STAT. § 304.17A-714 (2024).
4. Ohio
  - a. Payments Considered Final – Overpayment, OHIO REV. CODE ANN. § 3901.388 (2002).
5. West Virginia
  - a. Civil Penalty Imposed by Commissioner, W. VA. CODE R. § 33-25A-23a (2022).
  - b. Definitions, W. VA. CODE R. § 33-45-1 (2022).
  - c. Minimum Fair Business Standards Contract Provisions Required; Processing and Payment of Health Care Services; Provider Claims; Commissioner's Jurisdiction, W. VA. CODE R. § 33-45-2 (2022).

**F. Conditions of Coverage**

Reimbursement is dependent on, but not limited to, submitting approved HCPCS and CPT codes along with appropriate modifiers, if applicable. Please refer to the individual fee schedule for appropriate codes.

**G. Related Policies/Rules**

CareSource Marketplace Provider Manual  
CareSource Provider Agreement, Article V. Claims and Payments

**H. Review/Revision History**

|                       | <b>DATE</b> | <b>ACTION</b>   |
|-----------------------|-------------|---|
| <b>Date Issued</b>    | 10/26/2022  | New policy  |
| <b>Date Revised</b>   | 02/14/2024  | Annual review. Removed IV.C. Updated references. Approved at Committee. |
| <b>Date Effective</b> | 05/01/2024  |   |
| <b>Date Archived</b>  |             |   |

**I. References**

1. *Limitation on Recoupment (935) for Provider, Physicians and Suppliers Overpayments*. Center of Medicare & Medicaid Services; 2008. Reviewed 2020. Accessed January 29, 2024. [www.cms.gov](http://www.cms.gov)

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