

# REIMBURSEMENT POLICY STATEMENT

## Michigan Coordinated Health

Policy Name & Number	Date Effective
Interest Payments-MI Coordinated Health-PY-1675	01/01/2026
Policy Type	
<b>REIMBURSEMENT</b>	

Reimbursement Policies 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 agreements, 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 or Certificate of Coverage documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other plan 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 or Certificate of Coverage) for the service(s) referenced herein. Except as otherwise required by law, if there is a conflict between the Reimbursement Policy Statement and the plan contract, then the plan contract will be the controlling document used to make the determination. We may use reasonable discretion in interpreting and applying this policy to services provided in a particular case and we 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.

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A. Subject  
**Interest Payments**

B. Background

Reimbursement policies are designed to assist providers when submitting claims to HAP 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/ICD-10 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.

C. Definitions

- **Adjusted Claim** – An adjusted claim is the result of a request by the provider or CareSource to change historical data or reimbursement of an original claim.
- **Clean Claim** – A clean claim has no defect, impropriety, or special circumstance, including incomplete documentation that delays timely payment. A provider submits a clean claim by providing the required data elements on the standard claims forms that are accurate at the time of payment, along with any attachments and additional elements, or revisions to data elements, of which the provider has knowledge.
- **Original Claim** – The initial complete claim for one or more benefits on an application form.
- **Prompt Payment** – Prompt payment is defined by state and/or federal regulation defining timeliness and interest requirements.

D. Policy

- I. HAP CareSource strictly adheres to all regulatory guidelines relating to interest. HAP CareSource follows the guidelines outlined in Prompt Payment regulations (42 C.F.R. § 422.520).
- II. Payment of interest is made when HAP CareSource fails to pay the claim within the applicable state and federal prompt pay timeframes on clean claims.
- III. HAP CareSource considers interest payment on claims that were not paid accurately on prior processing attempts. If HAP CareSource had the information to pay the claim correctly on a previous payment but failed to do so, HAP CareSource will pay the claim within the allotted timeframe from Prompt Pay and Interest Regulations. Interest will begin accruing when payment is not made within the Prompt Pay timeframe.

IV. HAP CareSource only pays interest on claim payments that are occurring under Prompt Pay regulations. A contractual adjustment of a claim is not subject to state and federal regulations for interest payment. HAP CareSource performs regular audits to correct claim payment.

- A. Audits on retroactive eligibility updates, authorization updates, coordination of benefits (COB) updates, and fee schedule updates.
- B. Audits include proactive measures to correct claim payment when it has been determined that a systemic issue has paid claims incorrectly.
- C. Claims are not subject to interest payment when HAP CareSource takes proactive measures to pay claims correctly

E. 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.

F. Related Policies/Rules

NA

G. Review/Revision History

	DATE	ACTION
<b>Date Issued</b>	06/18/2025	New Policy. Approved ay Committee
<b>Date Revised</b>		
<b>Date Effective</b>	01/01/2026	
<b>Date Archived</b>		

H. References

1. Interest, 41 U.S.C. § 7109 (2023).
2. Interest Penalties, 31 U.S.C. § 3902 (2023).
3. Interest rates. Bureau of the Fiscal Service. Updated August 15, 2023. Accessed June 3, 2025. [www.fiscal.treasury.gov](http://www.fiscal.treasury.gov)
4. Notice of New Interest Rate for Medicare Overpayments and Underpayments - 2nd Qtr. Centers for Medicare and Medicaid Services. Accessed June 3, 2025. [www.cms.gov](http://www.cms.gov)
5. Prompt Payment Interest Rate; Contract Disputes Act, 88 Fed. Reg. 55,501 (Aug. 15, 2023).
6. Provisions Relating to the Administration of Part A, 42 U.S.C. § 1395h (2023).
7. Provisions Relating to the Administration of Part B, 42 U.S.C. § 1395u (2023).

The REIMBURSEMENT Policy Statement detailed above has received due consideration as defined in the REIMBURSEMENT Policy Statement Policy and is approved.