HAP CareSource™

REIMBURSEMENT POLICY STATEMENT
Michigan Coordinated Health

Policy Name & Number	Date Effective
Interest Payments-MI Coordinated Health-PY-1675	09/01/2026
Policy Type	
REIMBURSEMENT	

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. Reimbursement Policies do not guarantee authorization or payment for services. Coverage and payment determinations are 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.

Please refer to the plan contract (e.g., Evidence of Coverage, Member Handbook) for the service(s) referenced herein. Except as otherwise required by law, if there is a conflict between the Reimbursement Policy and the plan contract and/or provider agreement, then the plan contract and/or provider agreement will be the controlling document used to make the determination. Reasonable discretion may be used in interpreting and applying this policy to services provided in a particular case and the policy may be modified at any time. Reimbursement policies may be superseded by federal and state laws and regulations, as applicable. In the case of a discrepancy between the Policy Statement's effective date and any applicable legal or regulatory requirement, the law or regulation will govern.

Coverage for mental health and substance use disorder (MH/SUD) benefits are provided at the same level as coverage for medical and surgical (M/S) benefits, as required by the Mental Health Parity and Addiction Equity Act (MHPAEA). MH/SUD benefits are not subject to limits or requirements that are more restrictive than those that apply to M/S benefits.

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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
Date Issued	06/18/2025	New Policy. Approved at Committee
Date Revised	06/17/2026	Annual review. Updated references. Approved at Committee.
Date Effective	09/01/2026	
Date Archived		

H. References

1. Interest, 41 U.S.C. § 7109 (2024).
2. Interest Penalties, 31 U.S.C. § 3902 (2024).
3. Interest rates. Bureau of the Fiscal Service. Updated February 25, 2026. Accessed May 1, 2026. www.fiscal.treasury.gov
4. Notice of New Interest Rate for Medicare Overpayments and Underpayments - 2nd Qtr. Centers for Medicare and Medicaid Services. Accessed May 1, 2026. www.cms.gov
5. Prompt Payment Interest Rate; Contract Disputes Act, 88 Fed. Reg. 55,501 (Feb. 3, 2026).
6. Provisions Relating to the Administration of Part A, 42 U.S.C. § 1395h (2025).
7. Provisions Relating to the Administration of Part B, 42 U.S.C. § 1395u (2025).