

412 CLAIMS RECOUPMENT

EFFECTIVE DATE: October 1, 2019

REFERENCES: A.R.S. §§ 36-2901, 35-214; A.A.C. R9-22-701 et seq., A.A.C. R9-28-701 et seq.; Deficit Reduction Act of 2005 (Public Law 109-171); 42 CFR 438.600 et seq.

DELIVERABLES: Claim Recoupments >12 Months from Original Payment; Data Processes for Recoupments; Single Claim Recoupments >\$50,000

This policy applies to the Division's Administrative Services Subcontractors (AdSS). It outlines the guidelines for claims recoupment and refund activities.

AdSS are responsible for reimbursing their providers and coordinating care for services provided to a member pursuant to state and federal regulations.

Definitions

- A. Day - Calendar day unless otherwise specified.
- B. Provider - Any person or entity that contracts with the AdSS 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.
- C. Recoupment - An action initiated by the AdSS to recover all or part of a previously paid claim(s). Recoupments include AdSS initiated/requested repayments, as well as overpayments identified by the provider where the AdSS 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 the Division 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.
- D. Refunds - An action initiated by a provider to return an overpayment to the AdSS. In these instances, the provider writes a check or transfers money to the AdSS directly.

Recoupments Over \$50,000 Or One Year

- A. Single Recoupment in Excess of \$50,000

Prior to initiating any single recoupment in excess of \$50,000 per provider Tax Identification Number (TIN), the AdSS must submit a written request for approval to the Division Compliance Officer at least 30 calendar days prior to initiating the recoupment, or earlier if the information is available, in the format detailed below:

- 1. A detailed letter of explanation 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 used 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
 - h. Other recoupment action specific to this provider within the contract year.
2. An electronic file containing:
 - a. AHCCCS member ID
 - b. Date of service
 - c. AHCCCS original claim number
 - d. Date of payment
 - e. Amount paid
 - f. 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 used to recover the funds
 - c. The anticipated timeline for the recoupment
 - d. The provider's right to file a claim dispute
 - e. Total recoupment amount, total number of claims and ranges of dates for the claims being recouped
 - f. Listing of impacted claim numbers.

The written communication must be approved by Division prior to being sent to the provider(s).
- B. Recoupment of Payments Initiated More than 12 Months from the Date of Original Payment

The AdSS 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 the Division. Retroactive third party recoveries for Third Party Liability (TPL) are not included in this discussion.

To request approval from the Division, the AdSS must submit a request in writing to the designated Division Compliance Officer with all the following information:

1. A detailed letter of explanation that describes:
 - a. How the need for the recoupment was identified
 - b. The systemic causes resulting in the need for recoupment
 - c. The process that will be used 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.
2. An Electronic file containing:
 - a. AHCCCS member ID
 - b. Date of service
 - c. AHCCCS original claim number
 - d. Date of payment
 - e. Amount paid
 - f. 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 used to recover the funds
 - c. The anticipated timeline for the recoupment
 - d. Total recoupment amount, total number of claims, and ranges of dates for the claims being recouped
 - e. Listing of impacted claim numbers.

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

C. Cumulative Recoupment in Excess of \$50,000 per Contract Year

The AdSS 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 AdSS must report the cumulative recoupment monthly to the designated Division Compliance Officer as outlined in the Division Claims Dashboard Reporting Guide.