

412 CLAIMS RECOUPMENT

REVISION DATE: 7/10/2019

EFFECTIVE DATE: May 20, 2016

INTENDED USER(S): Division Claim staff

REFERENCES: DES/DDD AHCCCS Contract, Section D; ACOM Policy 203, 434; AHCCCS Claims Dashboard Reporting Guide; A.R.S. §§ 36-2901, 35-214; A.A.C. R9- 22-701 et seq., R9-28-701 et seq., The Deficit Reduction Act of 2005 (Public Law 109-171); 42 CFR 438.600 et seq.

This policy identifies the AHCCCS requirements for the Division's claims recoupment and refund activities.

Definitions

- A. **Day** - Calendar day unless otherwise specified.
- B. **Provider** - Any individual or entity that contracts with AHCCCS or the Division for the provision of covered services to members according to the provisions A.R.S. §36-2901 or any subcontractor of a Provider delivering services. For the purposes of this policy, a Provider delivering services pursuant to A.R.S. §36-2901.
- C. **Recoupment** - The process the Division takes to recover all or part of a previously paid claim(s). Recoupments include Division initiated/requested repayments, as well as overpayments identified by the Provider where the Division seeks to actively withhold or withdraw funds to correct the overpayment from the Provider.
- D. **Refunds** - An action initiated by a Provider to return an overpayment to the Division. In these instances, the Provider writes a check or transfers money to the Division directly.

Policy

The Division 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 Division is required to follow AHCCCS Recoupment provisions as outlined in Contract and Policy. For requirements for adjudication and payment of claims and encounters, refer to ACOM Policy 203. The Division's claims processes, as well as its prior authorization, and concurrent and retrospective review processes, minimize the likelihood of the need to recoup paid claims.

An adjustment that is completed within 30 days from the date of the original payment does not require AHCCCS prior approval, but will 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.

Adjustments completed more than 30 days from the date of the original payment *may* require AHCCCS prior approval, as outlined below.

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 Division submits a written request for approval *as specified in Contract* (30-days) or earlier if the information is available, in the format detailed below:

- A. A detailed letter of explanation will be submitted with the following:
1. How the need for recoupment was identified.
 2. The systemic causes resulting in the need for a recoupment
 3. The process that will be utilized to recover the funds
 4. Methods to notify the affected Provider(s) prior to recoupment
 5. The anticipated timeline for the project
 6. The corrective actions that will be implemented to avoid future occurrences.
 7. Total recoupment amount, total number of claims, range of dates for the claims being recouped, and total number of Providers impacted
 8. Other recoupment action(s) specific to this Provider within the contract year.
- B. An electronic file containing the following:
- AHCCCS member ID
 - Date of service
 - AHCCCS claim number
 - Date of payment
 - Amount paid
 - Amount to be recouped.
- C. A copy of the written communication that will serve as prior notification to the affected Provider(s) shall include a minimum of the following:
1. How the need for the recoupment was identified.
 2. The process that will be utilized to recover the funds.
 3. The anticipated timeline for the recoupment.
 4. The Provider's right to file a claim dispute.
 5. Total recoupment amount, total number of claims and ranges of dates for the claims being recouped.
 6. Listing of impacted claim numbers.

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

Recoupment of Payments Initiated More Than 12 Months From the Date of Original Payment

The Division 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 prior 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 and the Division's Operations Manual Chapter 434 Coordination of Benefits & Third Party Liability*.

A. To request approval from AHCCCS, the Division submits a request in writing with all of the following information:

A detailed letter of explanation will be submitted with the following:

1. How the need for recoupment was identified.
2. The systemic causes resulting in the need for a recoupment.
3. The process that will be utilized to recover the funds.
4. Methods to notify the affected Provider(s) prior to recoupment.
5. The anticipated timeline for the project
6. The corrective actions that will be implemented to avoid future occurrences.
7. Total recoupment amount, total number of claims, range of dates for the claims being recouped, and total number of Providers impacted.

B. An electronic file containing the following:

- AHCCCS member ID
- Date of service
- AHCCCS claim number
- Date of payment
- Amount paid
- Amount to be recouped.

C. A copy of the written communication that will serve as prior notification to the affected Provider(s). The communication includes at a minimum:

1. How the need for the recoupment was identified.
2. The process that will be utilized to recover the funds.

3. The anticipated timeline for the recoupment.
4. The Provider's right to file a claim dispute.
5. Total recoupment amount, total number of claims and ranges of dates for the claims being recouped.
6. Listing of impacted claim numbers.

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

Cumulative Recoupments in Excess of \$50,000 per Provider per Contract Year

The Division continuously tracks 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 Division reports the cumulative recoupment monthly as outlined in the AHCCCS Claims Dashboard Reporting Guide and as specified in the Division's contract.

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 AHCCCS.

The AHCCCS Division of Health Care Management (DHCM) will review all requests for recoupment, evaluating factors such as validity, accuracy, and efficiency of the Division's 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 Division by electronic mail contingent upon receipt of all required information from the Division.

Data Processes for Recoupment

Upon receipt of approval for recoupment from AHCCCS, the Division has *no more than 120-days* to complete the project and submit the following as stated in the Division's contract:

- A. Notification of the submission for the voided or replacement encounters (which reaches adjudicated status within 120-days of the approval of the recoupment) and the appropriate associated information for all impacted encounters for recouped claims.
- B. 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):
 - AHCCCS member identification number
 - Date of service
 - Original AHCCCS CRN
 - New AHCCCS CRN

- Health Plan allowed amount
- Health Plan paid amount
- Provider identification number.

Note: The Division submits the above information for each adjudicated encounter. Dependent on the size and/or volume of the recoupment request, AHCCCS may require the Division 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 administrative 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 Division that are impacted by the recoupment.

Data Processes for Refunds

Upon receipt of refund from a Provider, the Division has 120-days from the date of the refund to void or replace related encounters. All voided or replaced encounters reaches an adjudicated status within the 120-day timeframe.

- A. The Division identifies the following for all refunds received and provide this information to AHCCCS upon request:
1. The systemic causes resulting in the need for the refund and/or an explanation of why the refund occurred.
 2. The corrective actions that will be implemented to avoid future occurrences, if applicable.
 3. Cumulative refund amount, total number of claims and range of dates for the claims impacted by the refund.
 4. List of impacted claim numbers.

Attestation

All documentation and data submitted by the Division for purposes of recoupment and refund activities certified by the Division as specified in 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 Division failed to comply with any provisions of AHCCCS Policy 412 – Claims Recoupment, the Division may be subject to administrative actions.