Alameda County Behavioral Health Care Services MENTAL HEALTH & SUBSTANCE USE SERVICES	DocuSigned by: By: Karyn L. Tribble, PsyD, LCSW, Director BA167CA0C0D444A...
POLICY TITLE **Identifying, Reporting, and Recovering Overpayments**	**Policy No: 1350-1-4** **Date of Original Approval**: 12/16/19 **Date(s) of Revision(s):** 7/6/21, 7/17/2023

PURPOSE

This policy addresses the need to identify overpayments, promptly report the overpayments to the state if recovered funds must be returned to the state, and recover the overpayments if passed along to a provider. If potential fraud is suspected, Alameda County Behavioral Health Care Services (ACBH) will notify the state at medccc@dhcs.ca.gov.

AUTHORITY

- Alameda County's MHP Contract #17-94572 with the California State Department of Health Care Services (DHCS)
- Centers for Medicare and Medicaid Services (CMS) and Children's Health Insurance Program Managed Care Final Rule CMS-2390-F (81 Fed. Reg. 27497) and CMS-2390-P (81 Fed. Reg. 18390) California Department of Health Care Services (DHCS)
- Intergovernmental Agreement for Drug Medi-Cal Organized Delivery System services for substance use disorder treatment, Exhibit A, Attachment I, section H, part 5, ii, b.
- MHSUDS Information Notice No.: 19-034. Overpayments Recovery and Reporting Procedures
- Title 42, Code of Federal Regulations (CFR), Part 438.608(d): Program integrity requirements under the contract.

SCOPE

This policy applies to all Alameda County Behavioral Health Care Services (ACBH) administrative units, ACBH and community-based organization (CBO) operated specialty mental health programs, and CBO operated substance user disorder programs.

POLICY

This policy establishes procedures to identify, recover, and report overpayments. Furthermore, it establishes the requirement for network providers, including county operated and community-based organizations, to report overpayments and suspected fraud to ACBH and DHCS, and return the overpayment within 60 days.

The policy is supported by four procedures to ensure:

I. ACBH identifies, reports, and returns overpayments;
II. ACBH voids audit disallowances, reports voids to DHCS, and recovers the overpayment from providers; and
III. Network providers report overpayments to ACBH and return the overpayment within 60 days; and
IV. In instances of credible allegations of fraud, ACBH suspends payments to network providers.

PROCEDURE

I. Identifying, Reporting, and Recovering Overpayments

ACBH shall follow the following procedures to avoid Medi-Cal overpayment:

A. Verify Services Claimed to Medi-Cal

1. The following checkpoints exist before services are billed to Medi-Cal.
   a. Initially, providers document services in the ACBH electronic health record by entering data into Clinicians Gateway or uploading data into the ACBH Billing System. When the note is finalized, it will be included in the nightly download to the ACBH Billing System for billing.
   b. The following day, a report displaying all service entries is sent to the provider for validation.
   c. Next, at month-end, providers receive a page for each client with services for the month. This report is designed as an audit tool for comparison to client charges.
   d. Finally, two test claims are sent to providers so services can again be verified before the actual Medi-Cal claim is sent to the state.

2. Quality Assurance Unit (QA) conducts compliance audits and service verification of contracted programs and county-operated programs.

B. Monitor for Duplicate Services

The Fiscal Unit monitors 835 denial codes resulting from duplicate services.

C. Identify Payments Exceeding Cost

The Fiscal Unit will use specified reports to identify all payments in the system in refunded status, which occurs when the receivable is overpaid.

D. Verify Rates Claim to Medi-Cal

1. For Programs paid on a provisional rate a variance between the claimed rate and the correct interim rate will be detected when the Fiscal Unit completes quarterly revenue projections by program.

2. A variance between the claimed rate and the allowable cost to deliver services will be detected when the cost report is completed. The cost report will be settled to the lesser of allowable cost or the usual and customary charge, and any overpayment will be returned to DHCS.

E. Detect Medi-Cal Processing Errors

The Fiscal Unit imports 835 data, allowing each claimed service record (837) to be appended with approval data. The paid amount is compared to the claimed amount and the anticipated payment based on aid code. The Fiscal Unit analyzes any anomalies, follows up with providers and other ACBH groups, and then voids approved services if necessary. ACBH will report variances between claims and payments to the state.

F. Overpayment Identified

If the monitoring process identifies an overpayment, the Fiscal Unit will document the amount of the overpayment and circumstances. The report will be sent to the DHCS within 60 days. The Fiscal

Unit will return the overpayment to DHCS by reducing a subsequent payment or seeking Board approval to repay the overpayment.

Fiscal Services submits Annual Void Reports (MHP-99 FY 2018-19 and DMC-ODS-99 FY 2018-19) by the last day of February.

G. Payment to CBO

When the payment has been passed along to a CBO, the Fiscal Accounts Payable Unit will notify the
provider and Fiscal Unit will recover the payment within 60 days; by reducing the provider's next payment or securing payment from the provider.

II. Quality Assurance Audit Disallowance Recoupment Process

A. QA notifies providers in writing if services are disallowed per an audit. The provider is given 30 calendar days from the date the notification is sent to appeal, after which time Fiscal Services will be instructed to void the services. At year end, the cost report is based on Medi-Cal utilization reports, so the voided services will be excluded. When DHCS completes its cost report review, the state system will also exclude the voided units from Medi-Cal reconciliation reports. Finally, on an annual basis Fiscal Services submits a void report to DHCS per the instructions provided by MHSUDS Information Notice No.: 19-034 and provides a summary to the ACBH Compliance Officer.

B. The Cost Reporting Unit will send an invoice to the provider if the provider does not appeal, giving the provider 30 days to repay the overpayment or contact ACBH for repayment plan. If no response after 30 days, a second notice will be sent. If no response after 30 days from second notice, the overpayment will be deducted from the provider's monthly invoice payment and provider will be notifed of the withholding.

C. The Director of Finance will address uncollectable outstanding balances by determining the best course of action. Collection efforts include deductions made against the provider's monthly ongoing invoice, Board of Supervisors' approval for forgiveness, or other remedy deemed appropriate.

III. Requirement for Providers to Report Overpayments

A. The ACBH Community-Based Organization Master Contract, Exhibit B, was updated in FY 20/21 to require providers to report overpayments and describe a secure mechanism for providers to do so. Exhibit B also requires providers to return the overpayment to ACBH within 60 days of identifying the overpayment and provide a written explanation about the reason for the overpayment. If fraud, waste, and abuse are suspected, then the ACBH Contracts Unit will notify DHCS.

B. The ACBH Fiscal Accounts Payable Unit will document the amount of the overpayment and circumstances and report to DHCS and the Fiscal Unit within 60 days. The Fiscal Unit will void the Medi-Cal service claimed and return the overpayment to DHCS by reducing a subsequent payment or seeking the Board of Supervisors' approval to repay the overpayment.

IV.Suspension of Payments to Network Providers

In instances of credible allegations of fraud, ACBH suspends payments to network providers, per the procedures below.

A. Begin Further Investigation

1. ACBH will inform the Compliance Division.

2. Initiate an investigation.

3. Complete investigation.

4. Communicate findings to appropriate parties.

B. Suspend billing to DHCS

ACBH Finance Leadership will direct Billing and Benefits and/or IS to suspend all billing to DHCS on behalf of the organization under investigation.

C. Suspend Payments to Providers

Contracts Unit shall issue a notice of non-compliance and payment hold with a copy to the Fiscal Unit is to withhold payments pending further notification.

NON-COMPLIANCE

Any failure to comply with this policy may result in formal actions including and up to formal sanctions by DHCS and as outlined in ACBH policy 1302-1-1 "Contract Compliance and Sanctions for ACBH– Contract Providers.

CONTACT

ACBH Office	Current Date	Email/Phone
Fiscal Unit	May 2023	CBOPayment@acgov.org

DISTRIBUTION

This policy will be distributed to the following:
- ACBH Staff
- ACBH Contract Providers
- Public

ISSUANCE AND REVISION HISTORY

Original Authors: Andrea Judkins, Jill Louie
Original Date of Approval: 12/16/19 Jill Louie, Director, Budget & Fiscal Services; Andrea Judkins; Supervising Financial Services Specialist

Revision Author	Reason for Revision	Date of Approval by (Name, Title)
Rickie Michelle Lopez	CBO contracts were updated to comply with MHSUDS Information Notice No.: 19-034.	7/17/2023 by Karyn L. Tribble, PsyD, LCSW, Behavioral Health Director

DEFINITIONS

Term	Definition
Overpayment	Any payment made to a network provider by a MCO, PIHP, or PAHP to which the network provider is not entitled to under Title XIX of the Social Security Act or any payment to a MCO, PIHP, or PAHP by a state to which the MCO, PIHP, or PAHP is not entitled to under Title XIX of the Social Security Act.

APPENDICES

N/A