



## PROVIDER ALERT

### State Negative Balances Due to Retro-Eligibility Re-Processing

January 7, 2022

#### Target Audience: Providers Who Received a Notice of Recoupment of Retro-Eligibility and Overpayments Letter

#### Issue

Last month some providers received a **Notice of Recoupment of Retro-Eligibility and Overpayments** letter within the Incedo Provider Portal (IPP). The individual notice letter detailed the amount each provider owed due to overpayments. A provider alert on this subject was published on December 13th and is available [here](#).

The dollar amount reported last month in each provider's notification letter was current for:

- Negative balances caused by retro-eligibility processing
- Negative balances reflecting the provider's **state-funded account only**
- All claims processed for the period January 1, 2020, through December 21, 2021

#### Types of Overpayments:

- a. State Account - It is important to understand that the amount identified was restricted to overpayments due back from the **State only account**. These overpayments were largely generated because providers had been paid for the same claim from both the Medicaid and State accounts and now owe the money paid from the State account back to the State. (The most common reason for this double payment is retro-eligibility, described in the section below.)
- b. Medicaid Account - A limited number of providers will have a similar situation but with a negative balance in the **Medicaid** account. This negative balance is **not** addressed in this particular alert and will be the subject of future communication.

#### Why Did These Overpayments Occur?

Most of the overpayments addressed in this alert occurred because of retro-eligibility reprocessing, which caused an individual's eligibility to move from the Medicaid to the

state account, or vice versa. For example, a provider paid under state would then *also* be paid under Medicaid (MA), while a retraction would be registered in the system against the state account, adding to the provider liability balance (PLB) as shown below:

	<u>MA</u>	<u>State</u>	<u>PLB</u>
Provider Paid under State		\$100	
Reprocessing changes eligibility. Paid under MA	\$100		
Offsetting journal entry "retracts" State		(\$100)	
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Note - Provider has \$200, but still owes the State \$100			\$100

### **Provider Action Required**

Providers who received a ***Notice of Recoupment of Retro-Eligibility and Overpayments*** letter should complete the [Negative Balance and Claim Lifecycle Report Survey](#) by **January 21, 2022 (30 days from the date of the letter)** if:

- The amount reported on your letter is \$500 or less, there is no need to complete the survey. This amount will be collected from current claims;
- You did not receive a letter, you may not have any overpayments due to retro-eligibility processing on the state account. You can confirm this by emailing [maryland.provpymt@optum.com](mailto:maryland.provpymt@optum.com)

The [Negative Balance and Claim Lifecycle Report Survey](#) was updated on Monday, December 27. If you completed the survey before this date and wish to make changes, please email [maryland.provpymt@optum.com](mailto:maryland.provpymt@optum.com) and use *State Retro Eligibility Question* in the subject line.

If providers have any questions or need to contact a Reconciliation Manager, please contact Optum at [maryland.provpymt@optum.com](mailto:maryland.provpymt@optum.com).

Thank you,

Optum Maryland Team