PacifiCare® **Claims Operations**

Subject:	Overpayments
Product:	☒ ASO ☒ CMS ☒ EPO ☒ Med Supp ☒ PPO ☒ SDHP ☒ Senior Supp ☐ Other:
State:	☒ AZ ☒ CA ☒ CO ☒ NV ☒ OK ☒ OR ☒ TX ☒ WA
Policy No.: CL-04-0009.02	Original Issue Date: 10/18/04 Page 1 of 18
Revision Dates: 02/14/2006	Supersedes: CL-04-0009.01
Originated By: Nikkis S. Hunt	Title: Technical Writer
Approved By: Regional Director's	Approval Date: 02/14/06
Print Name:	Title:

Identify other functional areas affected by this procedure, if applicable.

☐ Appeals & Grievances	☐ Financial Operations	☒ Network Management
☐ Benefit Interpretation	☐ Group Accounting	☐ Pharmacy
☐ Case Management	☐ Health Data Analysis	☐ Plan Builders
☒ Claims Processing	☐ Legal and Regulatory	☐ Project Management
☒ Corporate Operations	☐ Medical Management	☐ Provider Data Management
☒ Cost Containment	☐ Marketing Communications	☐ Quality Review
☐ Customer Service	☐ Membership Accounting	☒ Training

Indicate any regulatory standards or requirements addressed by this policy.

☐ NCQA ☐ DOI for the state of _____ ☐ Other: _____

Overview

Policy

The PacifiCare PPO Claims Department will process overpayments and overpayment disputes in accordance with applicable state and federal laws in a timely and efficient manner.

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Overview, Continued

Purpose

The purpose of this policy is to provide guidelines on how to process:

- Overpayment requests received from various departments within PacifiCare
- Overpayment disputes.

This policy applies only to overpayments that are greater than $25 for any one claim, or for a combination of several claims for one provider. Overpayments not meeting this threshold will be written off. (See page 12)

Background

Effective 01/01/06, the following information outlines the state laws with regards to recovering overpayments.

State	# of days PHS has to identify the overpayment from payment date	# of days Provider has to contest request
Arizona	365 days	Not Specified contract may apply
California	365 days	30 business days
Colorado	365 days	Not Specified contract may apply
Nevada **(See Exceptions)**	365 days	Not Specified contract may apply
Oklahoma	24 months	30 business days
Oregon	365 days	Not specified contract may apply
Washington **(See Exceptions)**	24 months	30 business days
Texas	180 days	45 business days

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Overview, Continued

Exceptions

The following information outlines the state laws with regards to Nevada and Washington

State	# of days PHS has to identify the overpayment from payment date or payment date of primary carrier, if COB related	# of days Provider has to contest request
Nevada	Nevada does not have any state regulatory language at this time. The timeframes included here are a mirror of AZ/CO.	
Washington	24 months (standard)	30 business days
	30 Months (COB related)	30 business days

Note: For the state of Washington, all written requests must include the minimum information:

- Identification of the claim
- Patient name
- Date of service(s)
- A concise explanation as to why the amount paid on the claim was in excess of the amount due, to include any interest and penalties on the claim(s)

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Acronyms and Definitions

Insurer	For the purposes of this policy, **insurer** refers to PacifiCare Health Systems.
Overpayment	When funds are issued in excess of the amount due or a payment was made in error.
Solicited	Overpayments discovered and requested by PacifiCare.
Unsolicited	Overpayments discovered by the provider and brought to PacifiCare's attention.

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Overpayment Referral Spreadsheet (Examiner/Customer Service Representative Process)

Once it has been determined that an overpayment has occurred, an Overpayment Referral Spreadsheet must be completed and submitted online Recovery team via the **PPO-OVP** mailbox in Outlook

Note: Examiner must enter a CNF note as to why claim was over/under paid.

Documentation Required for Submission of Overpayment Referral

When completing and submitting an Overpayment Referral Spreadsheet, Examiner/Customer Service Representative must provide all related documentation supporting request that is **not accessible on-line.** (see grid below)

Related documentation includes:

Accessible on-line (Not Required)	Not Accessible on-line (Required)
• Image of claim • Copy of contract • Additional reimbursement methodologies	• PHCS pricing sheet • APC pricing sheet • Any additional processing information • Corrected/Itemized bills

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Overpayment Referral Spreadsheet (Examiner/Customer Service Representative Process), Continued

Completing Overpayment referral Spreadsheet online

Once Overpayment Referral Spreadsheet is complete and all supporting documentation is gathered, Examiner/Customer Service Representative must:

- Complete spreadsheet, and save it using this format: Region/RIMS Employee initials/date. **Example**: CANXH080904
- Send to Outlook Mailbox address: **PPO-OVP**, subject must read: Region/RIMS Employee initials/date. **Example**: CANXH080904
- Fax all hard copy documentation (not accessible on-line) to the Recovery Team Fax Line, (714-784-4020), subject line must read: Region/RIMS Employee initials/date. **Example**: CANXH080904

Note: If information is to be faxed over in addition to the online submission, Examiner/Customer Service Representative must indicate in the Claim Notes to File (**CNF**) that **additional information is to follow via fax**.
This will provide the Recovery Specialist with indication to await additional processing information.

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Overpayment Recovery Team (Clerical Process)

Reviewing/ Accepting On-Line Overpayment Request

Once the Overpayment Referral Spreadsheet has been received via Outlook from the PPO-OVP Mailbox, Overpayment Recovery Team Clerk, (to be referenced as "**Clerk**" in this document) must review and accept the document. To accept the online spreadsheet, the document must be imported from Outlook to the Overpayment Database. This is a button designed to execute the macro that transfers the information from Outlook to the Overpayment Database.

Note: If spreadsheet is incomplete or related documentation is not present, the spreadsheet will be returned to the originating Examiner/Customer Service Representative via Outlook for completion.

To import information in to the Database, the Clerk must:

Step	Action
1	Access the **PPO-OVP** mailbox in Outlook
2	Select emails/faxes with corresponding subjects. (Region/RIMS Employee initials/date. **Example**: CANXH080904)
2	Verify if spreadsheet from email is complete
	If complete... • Access the **Import File** function • Go to next step **If not complete...** File is returned to sender with missing information highlighted.

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Overpayment Recovery Team (Clerical Process), Continued

Reviewing/Accepting On-Line Overpayment Request (continued)

Step	Action
3	Check for duplicate referrals
	<table><tr><th>If referral is not a duplicate…</th><th>If referral is a duplicate…</th></tr><tr><td>• Clerk will hit the **Accept** button to begin processing referral, • Sort referrals by date received and file in shared drive</td><td>File is returned to sender with explanation as to why claim meets duplicate criteria.</td></tr></table>
4	Forward all corresponding emails (spreadsheets) and faxes to file folders located on the Overpayment Recovery Shared drive. **Note**: Spreadsheet along with fax attachments must be filed according to received date on the shared drive.

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Overpayment Recovery Team

Assignment of Overpayment Referral Spreadsheets

Once the referrals and faxes have been sorted by received date and filed on the shared drive by the Clerk, the following must occur:

Step	Action
1	Recovery Specialist must select files from the shared drive in received date order
2	Recoveries will be assigned to the Recovery Specialist via the Overpayment database.

Note: Recovery Specialist will access any additional needed information from the file folders in the shared drive.

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Overpayment Recovery Team (Recovery Specialist Process)

Adding Recovery Worksheet to Overpayment Database

Recovery Specialist will review submitted request and verify all fields have populated correctly in the database. (Refer to **Exhibit A**)

Recovery Specialist must then:

Step	Action
1	Populate any fields that did not auto-populate in the database.

State	SSN	Ending DOS	Recovery reason
Product	Insured's last name	Total billed amount	Recovery source
System	Insured's first name	Total paid amount	Recovery expected amount
Claim number	Patient's name	Paid date	Discovery date
Insured's ID	Beginning DOS	Interest amount	Date 1st letter sent
Check number	Provider TIN/Suffix	Patient account #	Recovery Specialist ID
Date paid	Provider	Insurance Co	Solicited/ Unsolicited
Check payee	Provider address	Carrier/State	
Check amount	Provider city	Plan network	
	Provider state/zip		

2	Verify correct benefit (overpayment differences from the original request).
3	Document in member's **CNF** (Claim Notes to File) in QicLink, the outcome of overpayment research.

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Overpayment Recovery Team (Recovery Specialist Process), Continued

Adding Recovery Worksheet to Overpayment Database (continued)

4	Generate an overpayment letter via the Overpayment Database **Note:** In order to generate the 1st letter, Recovery Specialist must manually populate the **Date 1st Letter Sent** field.
5	Click on **Send Letter** button; sub-screen appears: This sub-screen allows the Recovery Specialist to add free-form text. If no additional free form text needed, Recovery Specialist leaves screen blank and **Submits**.
6	Print two letters. • One goes to secondary documentation with all related supporting documentation • One goes to payee. (provider, member…) **Note:** When sending information to secondary documentation, Recovery Specialist must include worksheet number on the top right hand corner of each document.

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Dollar Thresholds

When processing overpayments for claims totaling **$25 or under**, Recovery Specialist enters information into database as a formality, but considers this dollar amount a write-off and does not try to recover monies.

If money is received at a later date, Recovery Specialist documents in CNF (Claim Notes to File) and updates member's file.

Processing Overpayments ($25 and under)

When processing overpayments for claims totaling **$25 and under**, Recovery Specialist must:

Step	Action
1	Enter information into database
2	Adjust claim
3	Reprocess claim correctly under a "No Pay" **Note**: Examiner's/Adjuster's must use standard remark code and **not** an Adjustment remark code.
4	Enter worksheet comments in CNF (In QicLink) using the following verbiage: "*This is a correction to claim XXXXXXXX-01 which resulted in an overpayment (enter amount)*"
5	Document in CNF (in QicLink) the reason for the overpayment and if claim is clean or unclean (Refer to **Clean/Unclean Claims Definition** P&P for determination). **In CNF** Enter ***"No recovery will be pursued".***
6	Update the following fields in the Overpayment Database:
	Write Off Amount | Reason code (**WL**) | Date

Note: Examiners in the SW Region utilize steps **2-5** only.

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Dollar Thresholds, Continued

Processing Overpayments ($26-$99)

When processing overpayments for claims totaling **$26 - $99**, Recovery Specialist must:

Step	Action
1	Enter information into database
2	Adjust and reprocess claim correctly under a "No Pay" **Note**: Examiner's/Adjuster's must use standard remark code and **not** an Adjustment remark code.
3	Enter worksheet comments in CNF (In QicLink) using the following verbiage: "*This is a correction to claim XXXXXXXX-01 which resulted in an overpayment (enter amount).*
4	Document in CNF (in QicLink) the reason for the overpayment and if claim is clean or unclean (Refer to **Clean/Unclean Claims Definition** P&P for determination). Also note date of 1st letter sent
5	Update the following fields in the Overpayment Database: Date 1st Letter Sent | Recovery Specialist ID
6	Generate an overpayment letter via the Overpayment Database

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Dollar Thresholds, Continued

Processing Overpayments ($26-$99) (continued)

Step	Action
7	Generate a corrected Explanation of Benefits (upon request) manually. Send one copy to provider, insured and imaging.
8	Forward the original file to Secondary Documentation.
	<table><tr><th>If...</th><th>Then...</th></tr><tr><td>No response within 45 days</td><td>Send 2nd letter</td></tr><tr><td>No response, after 1 year from date of first letter</td><td>Write off overpayment using Reason code (**WU**)</td></tr></table>
9	Document in CNF (in QicLink) outcome of claim

Processing Overpayments ($100 and over)

When processing overpayments for claims totaling **$100 and over** Recovery Specialist must:

Step	Action
1	Enter information into database.
2	Print screen (prior to updates).
3	Back out applicable accumulators: • Deductible • PAR/Non-PAR out-of-pockets • DVT's (days, visits, treatments)
4	Print screen (post updates).

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Dollar Thresholds, Continued

Processing Overpayments ($100 and over) (continued)

Step	Action
5	Document in CNF (in QicLink): • The reason for the overpayment, • If claim is clean or unclean (Refer to **Clean/Unclean Claims Definition** P&P for determination), • Date of 1st letter sent • Updated Accumulators • Amount of overpayment
6	Update the following fields in the Overpayment Database:
	Date 1st Letter Sent | Recovery Specialist ID
7	Generate an overpayment letter via the Overpayment Database.
8	Manually generate a corrected Explanation of Benefits (upon request). Send one copy to provider, insured and imaging.
9	Forward the original file to Secondary Documentation.

If...	Then...
No response within 45 days	Send 2nd letter
No response, after 90 days from date of first letter	Forward file to Outside Vendor

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Dollar Thresholds, Continued

Submitting Overpayments Over $100 – to Vendor

When submitting overpayments over $100 to **Vendor**, Recovery Specialist must:

Step	Action
1	Update the following fields in the database:
	Date sent to vendor | Type - traditional
2	Lead/Supervisor runs Vendor report monthly (via Excel spreadsheet) and forwards to vendor via email.
3	Document in Claim Notes to File (CNF) that the file has been referred to Vendor and the date

If...	And...	Then...
Vendor is unable to recover overpayment	Its been over 1 year from date first letter sent	Write off Specialist goes back into the database and completes write off date and reason code (**WU**). Notify vendor of write off via email.
Vendor is able to recover overpayment		Refer to Refund Checks and/or **Returned Checks** P&P

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Retro-Terminations

Handling retro-Termination Recoveries

Retro-Termination Recoveries are **not adjusted** until the refund is received and they meet the thresholds outlined in the purpose statement on page 2. When handling these recoveries, Recovery Specialist must:

	Action
1	Document CNF with reason for overpayment and date of first letter sent.
2	Populate the following fields in the database:
	Date 1st letter sent / Recovery Specialist ID
3	Generate an overpayment letter via the Overpayment Database.
4	Forward the original file to Secondary Documentation.
5	Process according to dollar threshold guidelines set forth above.

Note: Colorado – Overpayments due to retro-terminations cannot be pursued if the provider obtained eligibility verification. Please identify overpayment and write off.

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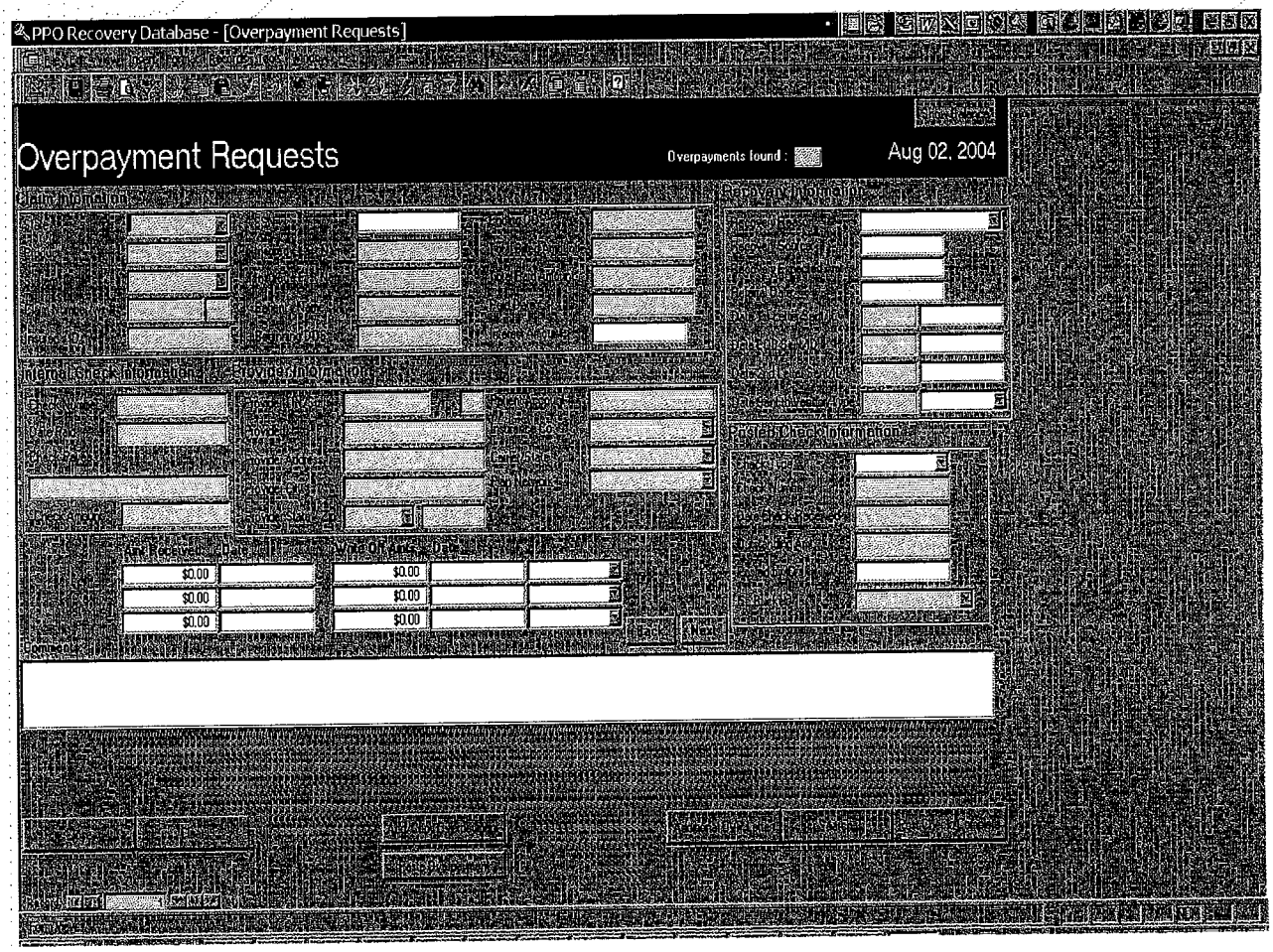
Exhibit

Exhibit A Overpayment Database Screen



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