



Overpayment Policy

Veronica Kelley, DSW, LCSW, Director

Effective Date 04/09/2019
Revised Date 11/06/2019

Policy

It is the policy of the Department of Behavioral Health (DBH) to ensure all DBH and Contract Agency Medi-Cal overpayments are promptly recovered and reported in accordance with 42 Code of Federal Regulations (CFR) Section 438.608(d) and Department of Health Care Services (DHCS) Information Notice No. 19-034, as well as all other recovery/reporting requirements for non-Medi-Cal payer(s). Overpayments must be reported *and* corrected, which may include voiding transactions, correcting claims or completing reimbursement to DBH, DHCS or other payer(s).

Purpose

To outline requirements for DBH and Contract Agencies to report and correct overpayments reimbursable by Medi-Cal or non-Medi-Cal sources. Overpayments may be related to and/or may lead to further DBH Office of Compliance (Compliance) Investigation(s); however this Policy outlines specific requirements not generally related to false claims matters.

Background

On March 30, 2016, the Centers for Medicare & Medicaid Services (CMS) issued Federal Medicaid Managed Care Final Rule (Final Rule) CMS-2390-P in the Federal Register (81 Fed. Reg. 18390) to apply the Paul Wellstone Mental Health Parity (Parity Rule) and Addiction Equity Act to Medicaid benefits. The Parity Rule strengthens access to mental health and substance use disorder services for Medi-Cal beneficiaries, and expanded the requirements of 42 CFR Section 438.608.

Definition(s)

Overpayment: Any Medi-Cal/non-Medi-Cal payment made to a County or contracted provider in which the provider is *not* entitled under Title XIX of the Social Security Act (SSA) or any payment to DBH to which DBH is *not* entitled to under Title XIX of the SSA.

Fraud: Intentional deception or misrepresentation made with the knowledge that deception may result in an unauthorized benefit to oneself or another; any act regarded as fraud under state or federal law.

Waste: Over/inappropriate, utilization of services; misuse of resources.

Abuse: Practices inconsistent with sound fiscal/business/medical practices, resulting in unnecessary cost(s) to a program; reimbursement of services not medically necessary or failure to meet professionally-recognized standards.

Continued on next page



Overpayment Policy, Continued

Initial Reporting of Overpayment

When a contract agency or Individual provider identifies an overpayment, immediate reporting to DBH Compliance and Fiscal Administration is required no later than five (5) business days from the date of discovery.

Reporting must be completed via email format to both DBH units simultaneously, containing the information listed below to:

Compliance_Questions@dbh.sbcounty.gov and
FiscalProviderPay@dbh.sbcounty.gov.

- Contract agency point of contact.
- Contract agency NPI and individual provider NPI.
- Date of overpayment discovery (if same date as email, so state).
- Reason for overpayment.
- Provider Reporting Unit.
- Provider National Provider Identifier.
- Mode of service description.
- Overpayment amount.
- Advisement if overpayment related to another incident/investigation.
- Plan to correct future overpayments from occurring.

Note: Contract agencies are responsible for returning overpayments to DBH within sixty (60) calendar days from the date the overpayment was identified regardless if instruction from Fiscal is received.

Response to Overpayment Notification

Upon notification of an overpayment, DBH Compliance and Fiscal Administration are responsible for appropriate follow-up with the reporting contract agency and/or provider.

Compliance will take steps to ensure overpayment does not relate to fraud/waste/abuse or any other false claims matters. This may include, but is not limited to, scheduling time to speak with provider or other staff, review of charts and/or claim reports, etc. Compliance will ensure potential or actual fraud is investigated, reported and corrected according to DBH policies and state and federal law.

Fiscal Administration will conduct appropriate research to determine if an overpayment *in fact* occurred, including identification of modality and amount. Fiscal will complete formal notification to the contract agency with instruction for repayment.

Note: Records of overpayment email reports, response correspondences and all other related content will be stored in the respective file for the relevant DBH unit, and as appropriate for future reference.

Continued on next page



Overpayment Policy, Continued

Fiscal Correction/ Reporting to DHCS

DBH Fiscal Administration will ensure coordination with DBH IT of required claim voids, as well as contractor notification and instruction on repayment, as deemed appropriate.

Additionally, all voids will be tracked by DBH Fiscal Administration utilizing the reporting format as required per DHCS IN 19-034. Said report will be submitted to DHCS on an annual basis, no later than February 28 each year (to MedCCC@dhcs.ca.gov), accompanied by a signed certification in accordance with 42 CFR 483.606 and will contain the following elements:

- a. Payment Claim Control Number
- b. Client Index Number
- c. Health Care Provider National Provider Identifier
- d. Payment Amount
- e. Federal Financial Participation Amount
- f. Recovery Type Classification (42 CFR, Section 438.608(d) or all other Medi-Cal)

Note: Listed voids will include contract agency-related voids, as well as internal voids completed to correct overpayments.

Fraud, Waste, or Abuse

Any potential fraud, waste, or abuse will be investigated by DBH Compliance in accordance with Compliance Program responsibilities consistent with Patient Protection and Affordable Care Act (ACA), Section 6401 and U.S. Health and Human Services (HHS) Office of Inspector General (OIG) health care compliance program requirements. In accordance with DBH policy and state and federal law, Compliance will complete all appropriate research, reporting and corrective action required based on investigative findings.

Related Policies and Procedures

DBH Standard Practice Manual:

- Compliance Plan Policy ([COM0934](#))
 - Compliance Verification, Monitoring, Auditing Policy ([COM0917](#))
 - Fraud, Waste, and Abuse Policy ([COM0927](#))
-

Reference(s)

- DBH [Code of Conduct](#) (Coding and Billing for Services; Monitoring, Auditing and Reporting Systems; Discipline for Non-Compliance; Investigations and Corrective Actions, etc.)
 - Department of Health Care Services Information Notice [19-034](#)
 - Drug Medi-Cal Organized Delivery System Intergovernmental Agreement Exhibit A, Attachment I (5)(v)(b)
-