

PROVIDER ALERT

Update on Recoupment Sequence for Providers

November 17, 2021

Target Audience: All Behavioral Health Providers

On October 1, 2021, the Maryland Department of Health (MDH) announced that the recoupment of overpayments would begin on December 1, 2021. We are now able to provide further details regarding specific recoupment-sequence phases. These phases reflect MDH's recognition of the challenges this process will entail and the time it will take for providers to fully reconcile their claims after 835 and PRA delivery, which occurred the week of October 25, 2021.

REPAYMENT SEQUENCE

On December 1, 2021, MDH will embark on a sequence of recoupment phases aimed at full reconciliation of all overpayments and will also include payment errors incurred since the start of the United Health Group/Optum Behavioral Health (UHG/Optum) contract on January 1, 2020. The process will involve three phases:

1. **Phase 1:** Providers in the following categories will be required to pay their outstanding balances on or before December 1st but not later than December 31st. Payment prior to December 31st may enable providers to avoid paying taxes on these amounts. Providers should consult with their tax advisor/preparer. Group (a) are those reflecting the "estimated overpayment recoupment" while groups (b), (c), and (d) were paid duplicate payments post 8/3/2020 and require immediate return of funds:
 - a. Providers That Submitted No Claims between January 2, 2020 and August 3, 2020 ("No-Claims Providers"). This is the only category of providers for whom advanced payment/overpayment is currently due.
 - b. Adult Residential SUD Providers That Received Duplicate Payment ("PT54 Providers"). These duplicate payments were created in error when providers received an exact second payment for the same claim but under the incorrect State account. These corrections are in process with the full

knowledge and cooperation of providers at this time. Providers That Received an Additional Medicaid Payment for Claims Submitted between January 1, 2020, and March 31, 2021, Due to Retroactive Eligibility Determination. (“Retro-Eligibility Providers”). These are overpayments affecting ONLY retro-eligibility claims made during the time period noted. All 835s and PRAs have been delivered to reconcile these claims.

- c. Hospitals and Institutions That Have Received Overpayments. These claims are currently being worked through with provider knowledge and cooperation and affect mostly hospitals and larger institutions.
2. **Phase 2:** Providers in the following categories will be required to pay their outstanding balances at a date to be determined, but we expect the repayment period to be in the January-February 2022 timeframe. The exact dates will be announced on or about December 1, 2021.
- a. Psychiatric Rehabilitation Providers That Provided Services without Authorization (“PRP Providers”).
 - b. Providers That Submitted Claims That Were Determined to Be the Liability of a Payer Other Than Medicaid (“Third-Party-Liability Providers”).
3. **Phase 3:** For Providers that received overpayments of estimated claims for the period January 1, 2020, to August 3, 2020, (“Estimated Claims Providers”), we expect the repayment period to begin in the Spring of 2022. Additional information will be provided.

FORGIVENESS PROGRAM

MDH has announced forgiveness of the entire debt for Providers in the Estimated Claims Period (Phase 3) owing \$10,000 or less. We believe this action will help eliminate the burden on Maryland’s small, community-based providers.

For providers with outstanding or fully paid balances of between \$10,001 and \$50,000, we will engage the provider community and will evaluate providing additional relief.

All Phase 3 providers owing \$10,000 or less will be eligible for the forgiveness program *except* for the following categories:

- Hospitals
- Laboratories
- Somatic behavioral health providers
- Out-of-state providers, and

- Providers who have not yet submitted claims against any of the estimated claims paid.

REPAYMENT PLANS

Providers in Phase 3 who owe more than \$10,000 will have one of three options for repayment:

1. Payment in full at the time of notice
2. A 12-month, interest-free repayment plan, or
3. The option to credit current claims paid to offset all or some of the balances owed over a 12-month period, with final payment of any remaining amounts owed to be made at the end of the 12-month period.

ASSISTANCE

For assistance with reconciliation at any time, we urge you to engage with a UHG/Optum Reconciliation Manager by sending an email to maryland.provpymt@optum.com.

Please visit maryland.optum.com for provider resources, online training, and more information.