

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

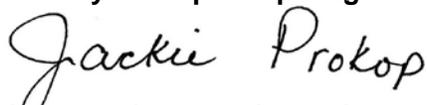
NOTICE OF PROPOSED POLICY

Public Act 280 of 1939, as amended, and consultation guidelines for Medicaid policy provide an opportunity to review proposed changes in Medicaid policies and procedures.

Please review the policy summary and the attached materials that describe the specific changes being proposed. Let us know why you support the change or oppose the change.

Submit your comments to the analyst by the due date specified. Your comments must be received by the due date to be considered for the final policy bulletin.

Thank you for participating in the consultation process.



Director, Program Policy Division
Bureau of Medicaid Policy and Health System Innovation

Project Number:	1325-Hospital	Comments Due:	August 13, 2013	Proposed Effective Date:	October 1, 2013
------------------------	---------------	----------------------	-----------------	---------------------------------	-----------------

Mail Comments to: Torey Schlaufman
Bureau of Medicaid Policy and Health System Innovation
Medical Services Administration
PO Box 30479
Lansing, MI 48909

Telephone Number: 517-335-3050

Fax Number: (517) 335-5136

E-mail Address: schlaufmant1@michigan.gov

Policy Subject: Hospital Credit Balance Refund Process

Affected Programs: Medicaid

Distribution: Hospitals

Policy Summary: The purpose of this bulletin is to provide clarification of the Michigan Department of Community Health (MDCH) Third Party Liability (TPL) hospital credit balance refund process. Providers must refund credit balance overpayments by submitting claim adjustments or claim voids through the Community Health Automated Medicaid Processing System (CHAMPS) or submitting them via an electronic claim vendor.

Purpose: This policy will ensure compliance with Section 6402d of the Affordable Care Act (ACA) which requires providers to report and refund any money paid by MDCH that was subsequently determined to be the responsibility of another resource.

Proposed Policy Draft

Michigan Department of Community Health
Medical Services Administration

Distribution: Hospitals

Issued: September 1, 2013 (Proposed)

Subject: Hospital Credit Balance Refund Process

Effective: October 1, 2013 (Proposed)

Programs Affected: Medicaid

The purpose of this bulletin is to provide clarification on the Michigan Department of Community Health (MDCH) Third Party Liability (TPL) hospital credit balance refund process. A TPL credit balance refers to funds that must be returned to MDCH because a claim has been paid by another resource or paid incorrectly. Medicaid is considered the payer of last resort. Section 6402(d) of the Affordable Care Act (ACA) requires providers to report and refund any money paid by MDCH that was subsequently determined to be the responsibility of another resource.

Providers must refund credit balance overpayments by submitting claim adjustments or claim voids through the Community Health Automated Medicaid Processing System (CHAMPS) or submitting them via an electronic claim vendor. Providers are required to include a comment on the claim adjustment or claim void that reads "Credit Balance MM/DD/YYYY" where MM/DD/YYYY is the date the overpayment was identified.

To ensure compliance with Section 6402(d) of the Affordable Care Act, providers are required to resolve credit balances before submitting their fiscal year end cost report. It is in the provider's best interest to resolve credit balances when they are identified rather than waiting until producing the fiscal year end cost report. Any credit balances adjusted through CHAMPS prior to the MDCH designated contractor's audit need not be reported to the contractor. For credit balance adjustments performed via CHAMPS the provider's documentation must match the identification date noted in the claim adjustment or claim void comments within CHAMPS.