

**Bulletin Number:** MSA 13-32

**Distribution:** Hospitals

**Issued:** August 26, 2013

**Subject:** Hospital Credit Balance Refund Process

**Effective:** October 1, 2013

**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.

## Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

## Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at [ProviderSupport@michigan.gov](mailto:ProviderSupport@michigan.gov). When you submit an e-mail be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

## Approved



Stephen Fitton, Director  
Medical Services Administration