

PI - Write-Off of Uncollectable Program Integrity Accounts Receivable

Purpose:

1. This procedure outlines the role of the Iowa Medicaid Program Integrity (PI) Unit in (1) pursuing overpayments while generally-established recovery procedures have been unsuccessful, and (2) processing uncollectable PI accounts receivable for appropriate write-off.

Identification of Roles:

RACI Definitions	
RACI - RACI charts are a type of responsibility assignment matrices in project management. These simple spreadsheets or tables highlight the different states of responsibility a stakeholder has over a particular task or deliverable and denotes it with the letters R, A, C, or I.	
(R)	Responsible
(A)	Accountable
(C)	Consulted
(I)	Informed

Iowa Medicaid PI Financial Analyst – tracks and monitors the status of all outstanding overpayments resulting from PI reviews. **(R)**

Iowa Medicaid PI Account Manager – supports the determination of whether an overpayment write-off is appropriate and works with state PI staff to obtain Iowa Medicaid approval of the write-off by Iowa Medicaid Leadership. **(C)**

Performance Standards:

Present requests to the Iowa Medicaid PI Director and obtain leadership signatures prior to submission of all write-off requests to the Bureau of Fiscal Management. Such requests must be finalized and submitted to CMS within two (2) years of the date of the overpayment determination, per CMS requirements.

Path of Business Procedure:

1. The PI Financial Analyst tracks and monitors the status of all outstanding overpayments resulting from Program Integrity reviews. A special month-end report, Overpayments Outstanding for More Than 60 Days, is delivered to the Department as part of the month-end reporting process. This report is also available to the Department at any desired time during the month.
2. When a provider has not responded to a findings (FOR) letter requesting refund of inappropriate payments within thirty (30) days, and has neither submitted a refund

check nor submitted a request for a repayment plan, a credit or offset against future Medicaid claim payments within the MMIS is entered into the system. Refer to procedure, "Claims Offset, Recording in Accounts Receivable Database", for these steps.

In order for this credit or offset to be fully satisfied there must be sufficient fee-for-service claims activity following the placement of the credit against the provider's claims file in the MMIS.

3. After submission of the above credit into the MMIS, the PI Financial Analyst works with the investigator on the case to contact the provider concerning the outstanding debt. Attempt to contact the provider through a phone call and by email if possible. Document all contact attempts throughout this process.

If, after a reasonable amount of time after placing a credit against the provider's claims in MMIS, the provider is determined to have one or more provider numbers that appear active in addition to the apparently-inactive number, within the same National Provider Identification (NPI) group or tax identification number group, consider transferring the credit to one of the provider's active numbers in order to satisfy the debt.

- a. **VERY IMPORTANT**-Discuss this intended action in advance with other units (i.e.: Revenue Collections, Provider Services, Provider Cost Audit, etc.) to ensure the action will not duplicate, cancel, or otherwise interfere with any actions another unit might be considering against the same provider. Please also refer to the Centralized Provider Tracking Sharepoint site on the Iowa Medicaid Universal network drive.
 - b. Notify the provider in writing and in advance of the intended action, referencing the active provider number that is to be credited.
 - c. If a transfer of the credit is deemed appropriate, prepare and submit a gross adjustment debit (Accounting Code 2) for the inactive number in the amount of the previous credit in order to reverse the credit. Prepare and submit a gross adjustment credit (Accounting Code 3) for the desired active provider number and in the amount of the original credit.
4. When the provider ceases Medicaid claim submission for a period of at least sixty (60) days from the time the credit is submitted into the MMIS and there is no other claim record activity during this same period, the credit will appear on the MMIS Credit Balance Report unless steps are taken to write off the credit balance. As part of the regular PI month-end reporting process, and more frequently if desired, the PI Financial Analyst will prepare and deliver to the state Iowa Medicaid PI Account Manager a report of ALL program integrity overpayments that have been outstanding for more than 60 days. This includes overpayments from regular desk reviews within the PI unit, any overpayments from medical necessity reviews from all

former PI contractors, any overpayments transferred to PI from either the Revenue Collections contractor or Provider Cost Audit contractor, and any overpayments remaining from the 2011 Correct Coding Initiative project conducted by the former PI contractor. Based on information in this report the Department may consider sanction actions against any providers who have such outstanding overpayments. These actions may suspend Medicaid payments to these providers from all sources including the various managed care payers.

5. The PI Financial Analyst, or designee, completes the following steps in order to prepare the aged receivable for, and to justify, eventual write-off.
 - a. Ensure the provider number(s) in question has been terminated from the MMIS. If the provider has not been terminated, contact Provider Services (Enrollment) (Account Manager or Operation Manager) and request termination, along with providing all supporting justification.
 - b. Determine the outstanding credit cannot be transferred to another appropriate provider number as explained in #3 above.
 - c. Ensure documentation exists that provides evidence of returned mail as unclaimed or undeliverable. Any and all returned envelopes with relevant stamps or other markings from the postal service must be kept and scanned into OnBase.
 - d. Ensure documentation exists that provides evidence of attempts to contact the provider by telephone and that all phone numbers have been disconnected or are no longer in service, or that the provider has been unavailable and phone messages have resulted in no response. Do the same for any attempts to contact by E-mail.
 - e. Contact the Secretary of State via their internet website to determine whether evidence exists the provider has gone out of business and document this contact. Obtain, if possible, an image of the Certificate of Dissolution or similar document.
 - f. Access the Iowa Courts Online website to determine whether evidence exists the provider has filed for bankruptcy and document this contact. If the provider has filed for bankruptcy, determine the Department is recognized as a creditor among the list of creditors reflected in any bankruptcy court documents. Request assistance from the Assistant State Attorney General where necessary.
 - g. Contact the County Assessor for the county of the provider's location to determine whether there is evidence the provider owns any real property (business property, residence, land, etc). Consider preparing an appropriate Claim of Lien (affidavit) that can be filed against such property. Request

assistance from the Assistant State Attorney General, in filing this lien. A full legal description of the property will be required within any claim of lien. In a case where a lien can be filed the receivable will not be written off as uncollectable.

- h. Refer the outstanding debt to the Iowa Department of Revenue (IDR) under the Department's agreement for assistance in collection. A special placement file is created and delivered to the IDR using a specially-formatted Excel file that is converted to a pipe-delimited format.

Determine whether the provider, using its NPI or tax identification number, is being paid for managed care services through any one of the managed care plans (MCP) in the state. The Department will consider a sanction or suspension action against the provider that may suspend all Medicaid payments to them from any source.

- i. Attempt to verify provider phone numbers through sources such as DexKnows.com and document this contact.
 - j. Consider accessing the following internet websites to determine whether any provider activity or existence is present and document the contact.
 1. Google.com
 2. AnyWho.com
 3. 411.com
 4. Qwest Info (411) (do this by phone)
6. Following the above steps the PI Financial Analyst, PI Contract Account Manager, and the Iowa Medicaid PI Account Manager will determine whether a request for write-off is appropriate. All activity conducted in the above steps, along with any results obtained, are documented in a special Word template form, as indicated in the Forms and Reports section below, with a request for permission to write off the indicated aged receivable. The PI Medicaid Account Manager or the financial analyst will forward this documentation to the state PI Unit Manager and Assistant State Attorney General, who will either concur with and approve the write-off request or ask for additional information.
 7. Once concurrence is obtained from the Assistant Attorney General, the Request for Write-Off Form is signed by the Iowa Medicaid PI Director, the Deputy Medicaid Director, and the Medicaid Director. The request can then be forwarded to the Bureau of Fiscal Management for processing through the CMS-64 reporting routine.
 8. The return on investment to the state Medicaid Program from this procedure is either (a) no requirement to return the federal-dollar share of the overpayment in question to CMS, or (b) the reclamation of the federal-dollar portion by the state

where such portion had previously been returned to the federal government. A threshold of \$1,300.00, expressed in total dollars, is set under which the state will forego any request for a write-off.

9. As indicated in the above performance standard, the process of requesting a write-off of an uncollectible overpayment and reclaiming the federal-dollar portion must be completed within 2 calendar years of the date the overpayment was first determined.

Forms and Reports:

Uncollectible Provider Overpayments Documentation to Reclaim the Federal Share

Interfaces:

Iowa Medicaid Provider Services Unit
Iowa Medicaid PI State Staff
State Attorney General Office
Bureau of Fiscal Management

Attachments:

New Federal Write-off Request



File Path:

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