Interpreting complex claim issues on Explanation of Payments* recoupments, negative balances, refunds, and negative balance deferred

* Also known as remit or remittance advice



Overview

- Understanding recoupments
- Understanding negative balances
- Understanding refunds
- Complex claim scenarios
- Navigating the remittance inquiry application in Availity Essentials Payer Spaces

Note: This overview came together in partnership with the following departments — Health Care Networks, E-Solutions, Provider Communications, and Program Integrity.



Understanding recoupments

What is recoupment?

- Recoupment is the process of recovering money overpaid to providers by the company for claims the provider has submitted.
- These claims can span across multiple lines of business (Commercial, Medicaid, Medicare, etc.).
- Recoupment is an automatic recovery process. Payment systems will auto-apply and calculate recoupment payments into the provider's remittance.



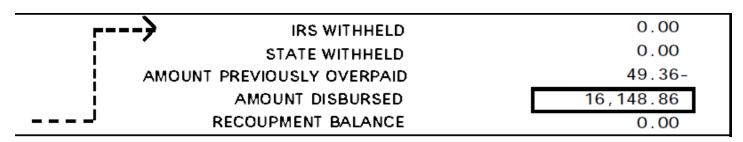
Understanding recoupments (cont.)

How do I know there is a recoupment?

This module will focus on recognizing recoupments on the *Explanation of Payment (EOP)* (or remit). There are a few ways to recognize a recoupment:

1. Any money withheld on an EOP will show as Amount Previously Overpaid under Payment

Summary:



2. You will see boxes at the top of the next page that only show member information, with no claim lines. This indicates a previous claim from this member is included in a recoupment on this *EOP*.



3. There will be a *Recoupment Notification* page at the end of the remit. We will explain this page later in this module.

Understanding negative balances

What is a negative balance?

- When we are unable to recoup an overpayment immediately from a provider, the claim is set up on a **negative balance**.
- We will keep track of money recouped and the amount due on the recoupment notification section of the remittance advice.
- This amount may be retracted all in one payment cycle or could be spread out over multiple payment cycles.

TOTAL APPROVED AMOUNT 148.32TOTAL INTEREST 0.00
TOTAL NET AMOUNT DUE: PATHWAY - TIERED 148.32-



Understanding negative balances (cont.)

- When the entire amount that would have been paid on a remittance has been withheld, the check number will start with 900.
- To locate the remits reflecting the negative balance, search all remits on or after the date listed and by the enterprise payee ID, until you find the remit with the completed recovery and the remit with a positive payment.

PO BOX 403150
ATLANTA GA 30384-3150

PROVIDER-NPI IDS 060100 - 1659327013

TAX ID NO XXXXX6819

CHECK NUMBER: 9000428966

MEDICAL CTR OF AURORA

PROVIDER NAME

Note: The final remit may include a partial positive payment, and the payment will not begin with 900.



Understanding negative balances (cont.)

Possible reasons for negative balances

There are multiple possible reasons a provider might accrue a negative balance on their account. Below are only a few:

- Facets configuration issues
- Wrong provider selected
- Member with other health insurance (OHI):
 - For example: member in need of update to either add or remove OHI from their record
- Any other reason an adjustment is needed on a claim



Understanding refunds

What is a refund?

A refund is the result of a provider being proactive about the overpayment we requested back to avoid automatic recoupment. The provider has the option to pay the amount due on the overpaid claim in advance, rather than having the company recoup the money owed.

INSURED'S NAME:

PATIENT ACCOUNT#:

SERVICE PROVIDER NAME:

11/14/2014 11/14/2014

INTEREST PAID

REFUND



Complex claim scenarios

Overview

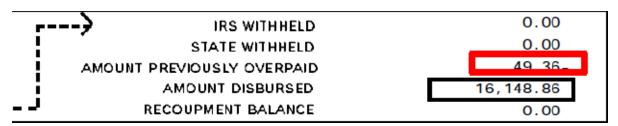
There are three complex claim scenarios we will be looking at in this module:

- **1. Alternate-day recovery** Provider's negative balance was recouped from a claim with a remit date that is different from the remit with the claim detail on it.
- **2. Same-day recovery** Provider's negative balance was recouped from a claim on the same day as the current remit. Some investigative work is required to find the appropriate remit with the recoupment information on it.
- **3. Provider refund** Provider has proactively resolved his/her overpayment by issuing a refund to the company.



Alternate-day recovery:

- This example shows an instance in which the provider acquired the negative balance on a different date from the current remit that we are looking at.
- You will notice on the screen print below that there is an amount due of \$49.36 as a negative balance, and the net amount the provider received on this remit is \$16,148.86:



- Because the provider had a positive amount to be disbursed, we were able to collect the entire previous negative balance on this remit.
- In order to find detailed information on this recoupment, we will need to look at the Recoupment Notification section at the end of the remit.



Recoupment notification

The Recoupment Notification section keeps track of all the claim information for this provider's negative balance. It is only printed one time per day, so recoupment information may not appear on other remits for the same date.

Note: Remember, at this point, you would search for other remits on that remit date for the correct claim.

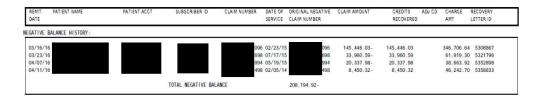
There are two claim number sections in the Recoupment Notification:

- Claim number the claim number that corresponds with the member's information in that row in the Recoupment Notification
- Original negative claim number the claim number that corresponds with the claim in the Negative Balance History to which the money is initially owed

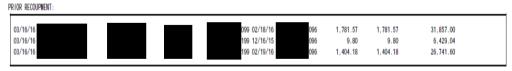


It is broken down into three sections:

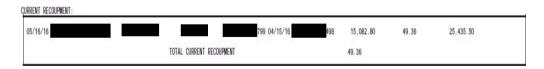
1. **Negative balance history** — includes all of the claims that have an overpayment; in other words, the claims that originally caused the negative balance



2. **Prior recoupment** — includes all of the claims from which we have previously withheld money to apply to the overpaid claims in the *Negative Balance History* section



3. Current recoupment — includes all of the claims from which we are withholding money on the current remit date to apply to the overpaid claims in the *Negative Balance History* section





Provider refund

There are three types of refunds:

1. Short refund — a refund sent by the provider that does not fully satisfy, or over satisfies, the entire negative balance due; there may still be a negative balance on that claim

Note: If there are other positive claims on that remit, the provider may still get a payout, minus any additional negative balance on the claim after the refund is processed.

GROSS APPROVED CLAIM AMOUNT
PROVIDER REFUND
TOTAL INTEREST
NET AMOUNT DUE



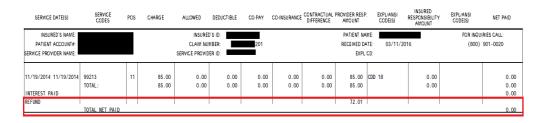


2. **Full refund** — a refund sent by the provider that satisfies the entire negative balance due; the net amount due to provider for the claim the refund is applied to is \$0

Note: If there are other positive claims on that remit, the provider may still get a payout.

GROSS APPROVED CLAIM AMOUNT	172.57
PROVIDER REFUND	172.57
TOTAL INTEREST	0.00
NET AMOUNT DUE	0.00

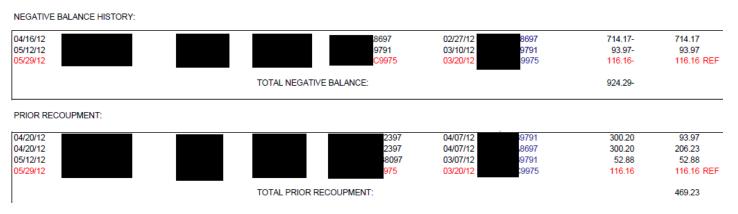
The claims to which the provider's refund has posted are listed directly in the remit on the claim lines. In the example below, you will see that the provider submitted a refund for \$72.01, and it was applied to the claim number ending in 201. Since \$0 are allowed, there is no total net paid.





3. Refund applied to recoupment — the refund will appear in the recoupment notification under the Negative Balance History and/or the Prior Recoupment

As you see in the example below, the refund will appear first as a negative number, and then a positive number with REF to the right.





Negative balance deferred

The Negative Balance Deferred section displays the claims adjusted and being held in the financial system until the expected recoup date, allowing the provider an opportunity to submit a refund or dispute the overpayment before the funds are recouped and finalized. An expected recoup date of March 31, 1999, indicates the claims will not offset.

The total deferred amount is listed in the summary section below:

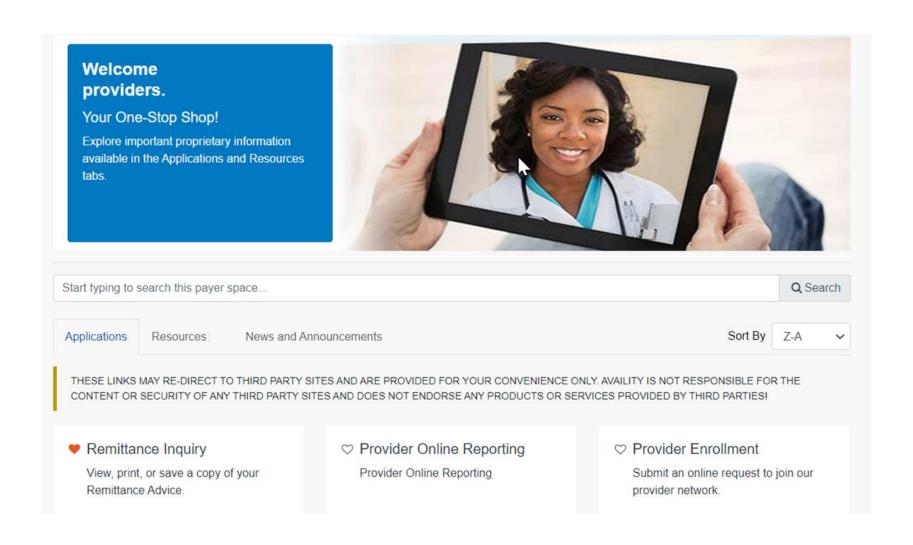




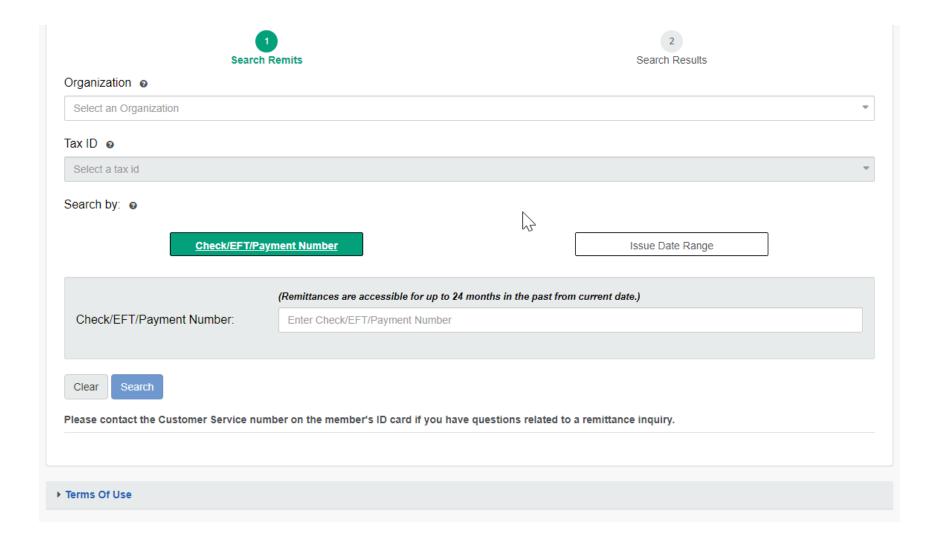


Select the health plan from the **Payer Spaces** drop-down menu.

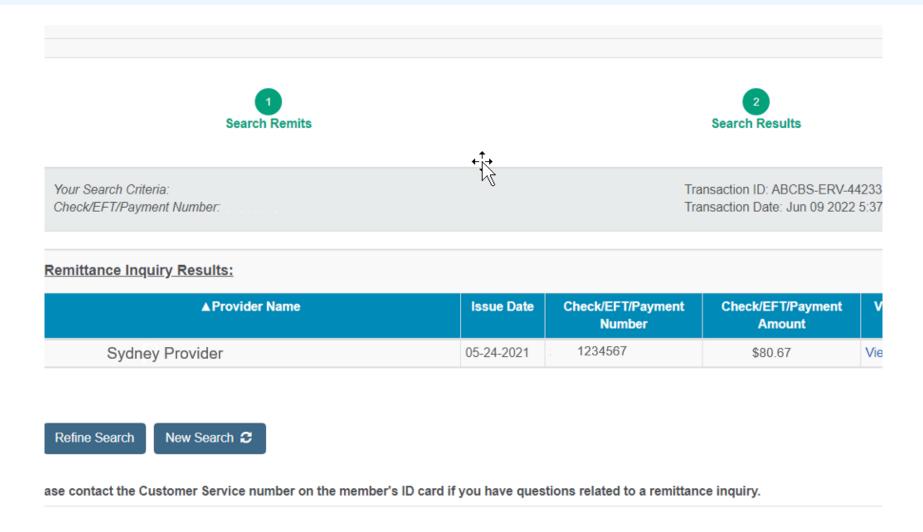




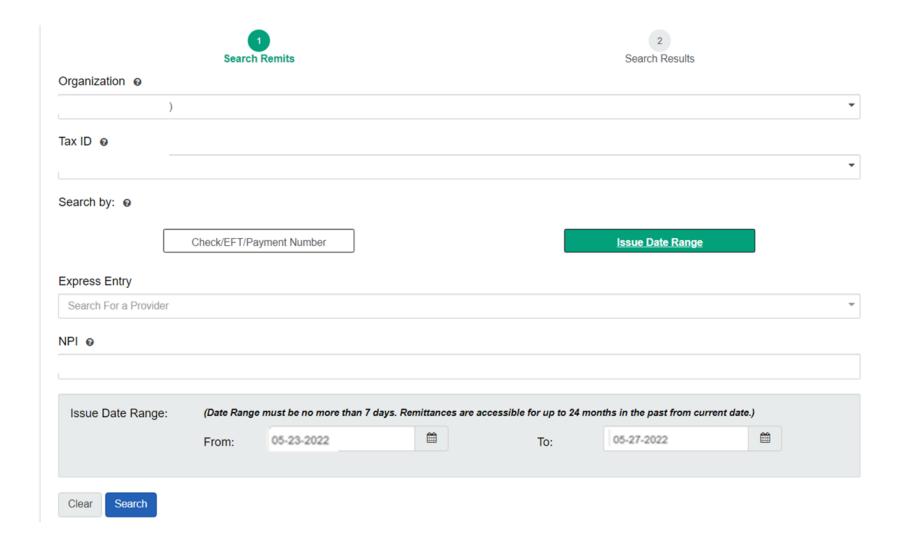




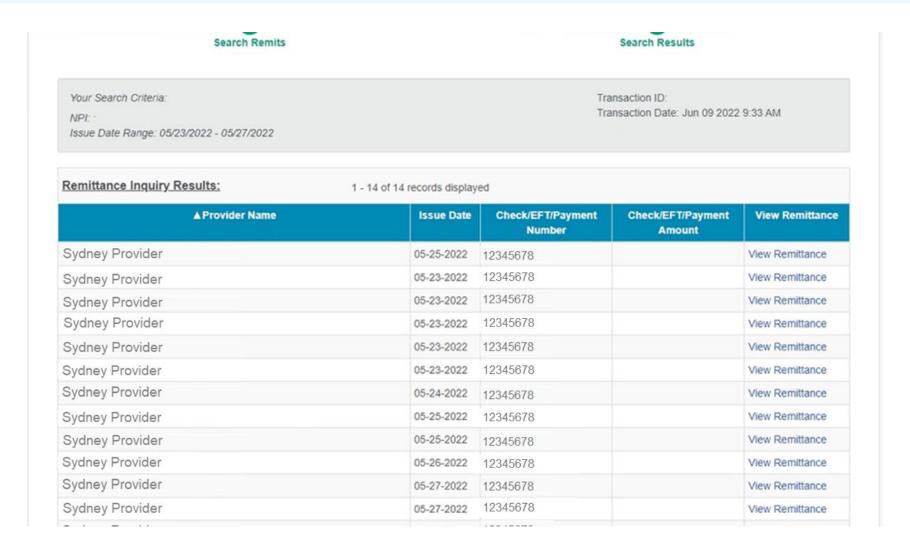
















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