

## 412 - CLAIMS RECOUPMENTS AND REFUNDS

EFFECTIVE DATES: 10/01/08, 10/01/13, 12/01/14, 07/01/16, 10/01/18, 10/01/19, 10/01/21, [10/01/26](#)

APPROVAL DATES: 09/01/09, 11/01/11, 07/01/12, 10/24/12, 08/15/13, 11/20/14, 04/07/16,  
10/04/18, 06/06/19, 03/18/21, [05/20/26](#)

### I. PURPOSE

This Policy applies to ACC, [ACC-RHBA](#)<sup>1</sup>, ALTCS E/PD, ~~DCS Comprehensive Health Plan (CHP)~~<sup>2</sup> and DES /DDD (DDD), ~~and RBHA~~ Contractors. This Policy establishes requirements of Contractors for Claims Recoupment and Refund activities.

[The CHP and DDD Contractors are responsible for ensuring the Claims Recoupments and Refunds activity of its Subcontracted Health Plans align with the requirements of this Policy.](#)<sup>3</sup>

### II. DEFINITIONS

Definitions are located on the AHCCCS website at: [AHCCCS Contract and Policy ACOM and AMPM Dictionary](#).<sup>4</sup>

### III. POLICY

The Contractor is responsible for reimbursing providers and coordinating care for services provided to a member pursuant to Federal and State regulations, including, but not limited to [AAC Title 9, Chapter 22, Article 7](#)<sup>5</sup> ~~A.A.C. R9-22-701 and et seq.~~, ~~A.A.C. R9-28-701, et seq.~~<sup>6</sup>

The Contractor is required to follow AHCCCS recoupment provisions as specified in Contract and Policy. For requirements specific to adjudication and payment of claims and encounters refer to ACOM Policy 203. The Contractor's claims processes, as well as its ~~p~~Prior ~~a~~Authorization (PA), and concurrent and retrospective review processes, shall minimize the likelihood of the need to recoup already-paid claims. AHCCCS reserves the right to deny recoupment requests that are a result of pended encounters where the Contractor has not demonstrated sufficient effort to correct the root cause resulting in pended encounters.

The Contractor or its subcontractors are not authorized to initiate recoupments resulting from potential ~~f~~Fraud, ~~w~~Waste, ~~and or a~~Abuse (FWA) and shall promptly notify the AHCCCS ~~/~~Office of Inspector General (OIG) of any potential ~~fraud, waste, or abuse~~ FWA. Refer to ACOM Policy 103.

<sup>1</sup> Revised to align with the Competitive Contract Expansion YH20-0002 to expand the provision of services for the awarded ACC Contractors.

<sup>2</sup> Removed Comprehensive Health Plan (CHP) and included a statement below in the policy regarding reporting for subcontracted health plans.

<sup>3</sup> Added to support compliance with policy for entities with subcontracted health plans.

<sup>4</sup> Revised to update dictionary title.

<sup>5</sup> Revised to align with policy standards and update citation.

<sup>6</sup> Removed (et seq) redundant citation

~~An~~ Any adjustment that is completed within 30 days from the date of the original payment does not require AHCCCS prior approval but shall be tracked and made available to AHCCCS upon request. The information tracked ~~should~~ shall include, at a minimum, the AHCCCS Member ID number, date(s) of service, original claim number, date of payment, amount paid, amounts recovered and subsequently repaid, and dates of recovery and repayment. Adjustments completed more than 30 days from the date of the original payment may require AHCCCS prior approval, as specified below.

Additionally, retroactive recoveries involving commercial insurance payor sources are not addressed in this Policy; for coordination of benefits involving third-party liability recoveries, refer to ACOM Policy 434.<sup>7</sup>

AHCCCS reserves the right to notify affected provider(s) of proposed recoupment actions.<sup>8</sup>

#### A. RECOUPMENT REQUESTS<sup>9</sup>

##### ~~A. INDIVIDUAL RECOUPMENTS IN EXCESS OF \$50,000<sup>10</sup>~~

The Contractor is prohibited from initiating recoupment of monies without prior approval from AHCCCS for the following recoupments:

1. Individual recoupments from a provider more than 12 months from the date of original payment of a clean claim.
2. Individual recoupments equal to or in excess of \$100,000 from an individual provider Tax Identification Number (TIN).

A recoupment request shall be submitted for each identified recoupment need. However, if multiple provider TINs are impacted by a single identified need for a recoupment, one request shall be submitted.

~~Prior to initiating any individual recoupment in excess of \$50,000 per provider Tax Identification Number (TIN), the~~ The Contractor shall submit Recoupment Requests ~~a written request for approval~~ as specified in Contract Section F, Attachment F3, Contractor Chart of Deliverables<sup>11</sup> ~~or earlier if the information is available, and in the format detailed~~ include the information specified<sup>12</sup> below:

1. A detailed ~~letter of explanation shall be submitted that describes~~ utilizing Attachment A, Tab A.1:<sup>13</sup>
  - ~~a. How the need for recoupment was identified,~~
  - ~~b. The systemic causes resulting in the need for a recoupment,~~

<sup>7</sup> Moved from below to more appropriate place in policy.

<sup>8</sup> Moved up and revised to outline process.

<sup>9</sup> Combined into one Recoupment Section for all Recoupments; one deliverable for all recoupments in ACOM Policy 412.

<sup>10</sup> Increased to 100K from 50K.

<sup>11</sup> Revised for alignment with contract; changes made throughout policy.

<sup>12</sup> Created Template Attachment A for reporting this information.

<sup>13</sup> Required information moved to Attachment A Template.

- ~~c. The process that will be utilized to recover the funds,~~
- ~~d. Methods to notify the affected provider(s) prior to recoupment,~~
- ~~e. The anticipated timeline for the project,~~
- ~~f. The corrective actions that will be implemented to avoid future occurrences,~~
- ~~g. Total recoupment amount, total number of claims, range of dates for the claims being recouped, and total number of providers impacted, and~~
- ~~h. Other recoupment action specific to this provider within the contract year.~~

~~A separate recoupment request shall be submitted for each identified need for recoupment, however, if multiple providers are impacted by a single need for a recoupment, one request shall be submitted.~~<sup>14</sup>

~~B. <sup>15</sup>A claims file~~An electronic file utilizing Attachment A, Tab A.2. ~~containing the following:~~<sup>16</sup>

- ~~1. AHCCCS Member ID,~~
- ~~2. Date of service,~~
- ~~3. AHCCCS claim number,~~
- ~~4. Date of payment,~~
- ~~5. Amount paid, and~~
- ~~6. Amount to be recouped.~~
- ~~7.2.~~

- 3. ~~A copy of the~~The drafted written communication(s) that will serve as prior notification to the affected provider(s) for AHCCCS approval. The communication shall include ~~a minimum of~~ the following:
  - a. How the need for the recoupment was identified,
  - b. The method and process that will be utilized to recover the funds,
  - c. The anticipated timeline for ~~the~~ recoupment activities to be completed,
  - d. The provider's right to file a claim dispute,
  - e. Total recoupment amount,
  - f. ~~†~~Total number of claims, and  
e.g. ranges of datesDates of service date ranges for the of the claims being recouped, and
  - f.h. Listing of iImpacted claim numbers.

~~The written communication shall be approved by AHCCCS prior to being sent to the provider(s).~~<sup>17</sup>

~~**B. RECOUPMENT OF PAYMENTS INITIATED MORE THAN 12 MONTHS FROM THE DATE OF ORIGINAL PAYMENT**~~<sup>18</sup>

<sup>14</sup> Moved above and reworded to explain submission requirement.

<sup>15</sup> Created Template Attachment A for reporting this information.

<sup>16</sup> Required information moved to Attachment A Template.

<sup>17</sup> Removed from here but added to intro sentence that this letter needs to be prior approved by AHCCCS before issuing.

<sup>18</sup> Combined into a single section above.

The Contractor is prohibited from initiating recoupment of monies from a provider TIN more than 12 months from the date of original payment of a clean claim unless prior approval is obtained from AHCCCS. Retroactive recoveries involving commercial insurance payor sources are not included in this discussion. For coordination of benefits involving third party liability recoveries, refer to ACOM Policy 434.

To request approval from AHCCCS, the Contractor shall submit a request in writing as specified in Contract with all of the following information:

1. A detailed letter of explanation shall be submitted that describes:
  - a. How the need for recoupment was identified,
  - b. The systemic causes resulting in the need for a recoupment,
  - c. The process that will be utilized to recover the funds,
  - d. Methods to notify the affected provider(s) prior to recoupment,
  - e. The anticipated timeline for the project,
  - f. The corrective action(s) that will be implemented to avoid future occurrences, and
  - g. Total recoupment amount, total number of claims, range of dates for the claims being recouped, and total number of providers impacted.

A separate recoupment request shall be submitted for each identified need for recoupment, however, if multiple providers are impacted by a single need for a recoupment, one request shall be submitted.

2. An Electronic file containing the following:
  - a. AHCCCS Member ID,
  - b. Date of service,
  - c. AHCCCS claim number,
  - d. Date of payment,
  - e. Amount paid, and  
Amount to be recouped.

A copy of the written communication that will serve as prior notification to the affected provider(s). The communication shall include at a minimum:  
How the need for the recoupment was identified,  
The process that will be utilized to recover the funds,  
The anticipated timeline for the recoupment,  
The provider's right to file a claim dispute,  
Total recoupment amount, total number of claims and ranges of dates for the claims being recouped, and  
Listing of impacted claim numbers.

The written communication shall be approved by AHCCCS prior to being sent to the provider(s).

**~~C. CUMULATIVE RECOUPMENTS IN EXCESS OF \$50,000 PER PROVIDER PER CONTRACT YEAR~~**

~~Contractors shall continuously track recoupment efforts per provider TIN. When recoupment amounts for a provider TIN cumulatively exceed \$50,000 during a contract year (based on recoupment date), the Contractor shall report the cumulative recoupment monthly as specified in the AHCCCS Claims Dashboard Reporting Guide and as specified in Contract.<sup>19</sup>~~

**~~D. AHCCCS RESPONSIBILITY AND AUTHORITY~~**

~~AHCCCS reserves the right to evaluate and to present the proposed recoupment action to the affected providers as part of the approval and or notification process. Communication will be at the timing and discretion of the Agency.<sup>20</sup>~~

~~The AHCCCS Division of Health Care Management (DHCM) will review all requests for recoupment, evaluating factors such as validity, accuracy, and efficiency of Contractor processes. The AHCCCS/DHCM will also evaluate the proposed recoupment for the purposes of minimizing provider hardship or inconvenience. The AHCCCS/DHCM will acknowledge all requests in writing through electronic mail upon receipt of the completed file. A written determination will be sent to the Contractor by electronic mail contingent upon receipt of all required information from the Contractor.<sup>21</sup>~~

**~~E.B. DATA PROCESSES FOR RECOUPMENT<sup>22</sup>~~**

~~The Contractor shall submit voided or replacement encounters within 120 days of AHCCCS' approval of the recoupment. All voided or replaced encounters shall reach an adjudicated status within the 120 days of submission. Upon receipt of approval for recoupment from AHCCCS, the Contractor shall have no more than 120 Days to complete the project and submit the following as specified in Contract~~

~~1. Notification of the submission for the voided or replacement encounters (which shall reach adjudicated status within the 120 Days of the approval of the recoupment) and the appropriate associated information for all impacted encounters for recouped claims:~~

~~Upon completion of the recoupment project, a separate electronic file containing all of the following information for all recouped claims (this is independent of the 837 file(s) submitted through Encounters):~~

- ~~a. AHCCCS Member Identification number,~~
- ~~b. Date of service,~~
- ~~c. Original AHCCCS CRN,~~
- ~~d. New AHCCCS CRN,~~
- ~~e. Health Plan Allowed amount,~~
- ~~f. Health Plan Paid amount, and~~

<sup>19</sup> [Cumulative recoupment reporting removed from Claims Dashboard](#)

<sup>20</sup> [Moved up and reworded.](#)

<sup>21</sup> [Removed language that is general internal deliverable processing.](#)

<sup>22</sup> [Language revised to align with voice/replacement encounter requirements.](#)

~~g. Provider Identification Number.~~

~~The Contractor shall submit the above information for each adjudicated encounter.~~

Dependent on the size and/or volume of the recoupment request, AHCCCS may require the Contractor to submit an external file in order to directly update impacted encounters in the timeframe prescribed above.<sup>23</sup>

~~Failure to submit complete information within the specified timeframe will be considered a violation of the contract and may result in administrative action.~~<sup>24</sup> AHCCCS will may validate the submission of applicable ~~voided~~ voids and replacement encounters upon any approved recoupment completion of this project.<sup>25</sup> As a result of amending the encounter data, AHCCCS may adjust related reinsurance payments, reconciliation payments, or any other amounts paid to the Contractor that are impacted by the recoupment.

#### **F.C. DATA PROCESSES FOR REFUNDS**<sup>26</sup>

~~The Contractor shall submit voided or replacement encounters within 120 days of receipt of a provider refund to the Contractor. Upon receipt of a refund from a provider, the Contractor shall have 120 Days to void or replace related encounters.~~ All voided or replaced encounters shall reach an adjudicated status within the 120 days of submission ~~timeframe~~.

The Contractor shall ~~shall also be able to identify the following for all refunds received and provide this the following refund~~ information to AHCCCS upon request:

- a. Reasons for the refund including if ~~The systemic causes issues were identified resulting in the need for the refund and/or an explanation of why the refund occurred,~~
- b. The corrective action(s) ~~that will be~~ implemented to avoid future occurrences, if applicable,
- c. Cumulative ~~r~~ Refund amount,
- d. Total number of claims, ~~and~~
- e. range of dates ~~Dates of service date range~~ for the claims impacted ~~by the refund~~, and
- d.f. List of i impacted AHCCCS claim numbers.

#### **G.D. ATTESTATION**

All documentation and data submitted by the Contractor for purposes of recoupment and refund activities shall be certified by the Contractor as specified in 42 CFR 457.1285, 42 CFR 438.600 et seq. If it is determined after the recoupment or refund action that information provided to AHCCCS is inaccurate, invalid, or incomplete, or that the Contractor failed to comply with any provision of this Policy, the Contractor may be subject to administrative actions.

<sup>23</sup> Remove Deliverable Data Processes Recoupments, as this is duplicative of existing deliverables, specified in Contract, Section F, Attachment F3 Contractor Chart of Deliverables. Contractors are still responsible for meeting the 120 days as specified in Contract.

<sup>24</sup> Language is included below under attestation.

<sup>25</sup> Revised to align with contract.

<sup>26</sup> Language revised to align with voice/replacement encounter requirements and to identify what should be included in submission to AHCCCS upon request.