



March 1, 2012

Dear Medical Assistance Provider:

The Department of Public Welfare (department) is requesting your assistance in the recoupment of funds for services provided to Medical Assistance (MA) recipients for whom health insurance was identified after the services were paid by MA. In accordance with 55 Pa. Code § 1101.64 – Third Party Medical Resources, MA is the payer of last resort; therefore, the commercial carrier should have paid first for the services, rather than MA.

We have contracted with Health Management Systems, Inc. (HMS) to perform Third Party Liability (TPL) recovery activities. HMS has reprocessed MA paid claims for the period of **August 19, 2009 through October 11, 2011**, and has identified claims associated with recipients who were eligible for Commercial coverage on the dates of service. HMS, on behalf of the department, intends to recover funds for these claims paid by MA that should have been billed to the commercial carrier as the primary payer.

Federal regulations at 42 CFR 433.139 require that the department's MA Program recover payments when a liable third party is identified. Therefore, unless we receive documentation from your facility to refute the recoupment within sixty (**60**) days from the date of this notice, the department will automatically recoup the total dollar amount /recoverable funds indicated on the attached listing under the column entitled "Recoup Amount" on a future Remittance Advice (RA). Since these are MA reclamation claims, the commercial carriers (third party payers) must honor the timely filing limits imposed by the Public Welfare Code under §1413(b)(c)(1)(2) related to MA claims presented for payment within five years of the date of service for claims with dates of service prior to July 1, 2007, and within three years for claims with a date of service on or after July 1, 2007. It is recommended that providers use the timely filing letter available on the department's web site when submitting the claims in this recovery to the commercial carriers. The commercial carrier must also honor claims regardless of the type or format of the claim or a failure to present proper documentation at the point of sale (this includes obtaining prior authorization from the third party payer). **PLEASE DO NOT SEND CHECKS OR CASH.**

If recoupment is not appropriate, please notify us by following the attached instructions. **PLEASE NOTE: Instructions relating to the submission of coinsurance/deductible claims have changed. Please read and follow the revised instructions carefully.** Enclosed you will find two (2) detailed claims listings and guidelines that must be followed to ensure necessary information is supplied to the department. These claims must be billed to the commercial carrier. Coverage information has been obtained from various resources. The department recognizes that circumstances such as pre-existing conditions, exhausted benefits, or other contract limitations may exist, which could result in non-payment by the commercial carrier; however, proof of these circumstances must be obtained and forwarded to HMS.

Please note that this letter is being sent to the same location where the payment was generated. If necessary, please forward this letter to the appropriate department/entity and ensure it is acted upon immediately. It is imperative that the appropriate personnel receive all notification and instructions regarding this recoupment action. When responding to the department, please include all appropriate correspondence as noted in the attached recoupment guidelines. If you expect a delay in third party processing, you must contact the phone number below **prior** to the deadline to request an extension.

All correspondence, documentation, and inquiries regarding this recoupment notice must be directed to:

Health Management Systems, Inc.
Attn: Provider Relations, PA MC
5615 High Point Drive, Suite 100
Irving, TX 75038
1-877-266-1090 (toll free) Fax: (214) 905-2064



We sincerely appreciate your cooperation in this effort to ensure appropriate expenditure of MA funds.

Sincerely,

A handwritten signature in black ink that reads "Carole Procopé". The signature is written in a cursive, flowing style.

Carole Procopé, TPL Division Director



INSTRUCTIONS – PA MEDICAID RECOUPMENT PROJECT

As stated in the attached letter from the department, HMS is assisting the department with its TPL recovery program. After reviewing paid claims, HMS found that the recipients associated with claims on the attached listing(s) were eligible for commercial coverage on the date(s) of service. Please follow the instructions below when billing these claims to the commercial carrier.

1. **DO NOT SEND CHECKS, CASH OR A VOID REQUEST TO THE DEPARTMENT.** There will be no mechanism to stop the recoupment other than those mentioned in these instructions. Refund checks cannot be accepted. Recoverable funds will be recouped on a future Remittance Advice (RA). A banner page will accompany the RA to alert you to the recoupment.
2. If you receive payment equal to or greater than the MA fee you were paid, **DO NOT RESPOND** to this notice. **The department will process the adjustment to recover funds for any claim for which a response is not received.**
3. Two (2) copies of the list have been provided. Please retain one copy for your records and **return the second to HMS at the address shown below** with the following if you wish to refute the recovery of any claims:
 - A. Any current commercial carrier denials/Explanation of Benefits (EOB) **must** accompany the listing.
 - B. A copy of a MA remittance advice on which a prior recoupment is shown on these claims.
 - C. Please include a contact person along with a telephone number on any reply to this notice.

****Important** - Please make a notation next to each claim that you agree should be recouped by the department with an "R" for recoupment or with the word "Agree" to indicate that you have reviewed these claims and agree that the funds should be recouped by the department.

4. ****REVISED INSTRUCTIONS** - Only AFTER the claim is processed and the funds are retracted by the department,** a new paper claim **and EOB**, not a claim adjustment, should be submitted when MA is responsible for payment of the deductible or coinsurance charges. The new paper claim must follow all department claim submission guidelines. In addition, the original ICN **and** the Adjustment ICN (begins with Region Code "54") should be placed on the UB-04 paper claim in Box 80 – Remarks or on the CMS -1500 in space at the bottom of the claim. The department will process these new paper claims after the recoupment has been completed.
5. Again, **to prevent recoupment**, you should immediately:
 - a. Review your records
 - b. If you have not already done so, bill the commercial carrier immediately
 - c. Forward any denials or other documentation within **60 days** from the date of this notice to:

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6. **Provider/Service Location:**
The department will recover payment of these claims from the provider number and service location listed on the claims report. If you are no longer billing from this service location or want the department to recover the payment from another service location, please contact the number listed above.