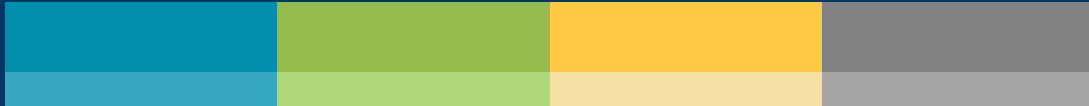
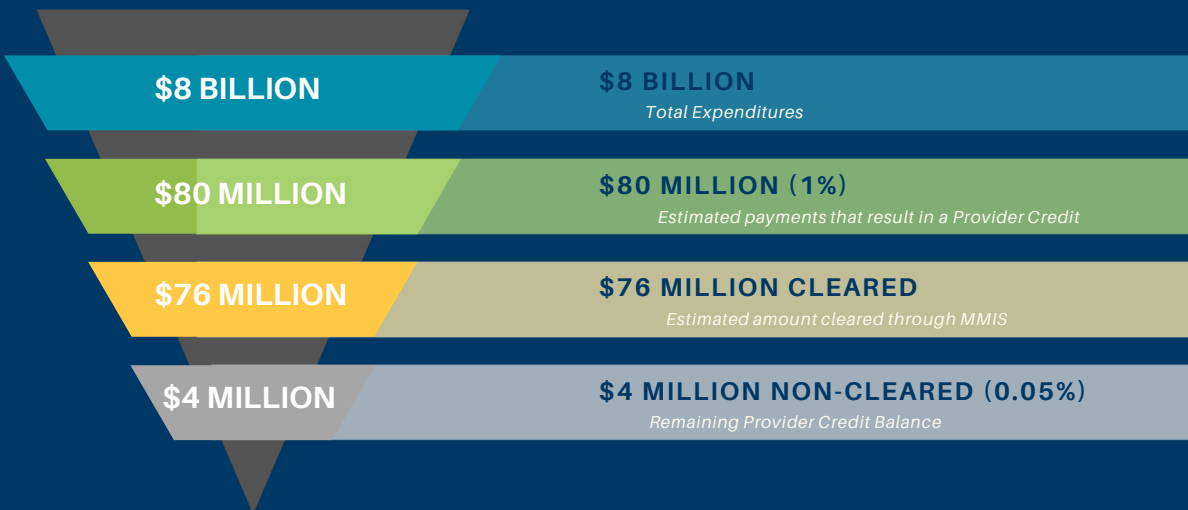


DHS PROVIDER CREDITS



PROVIDER CREDIT BALANCE (PCB) Fee-for-Service Medicaid Payments

Annual Representation:



The vast majority of lingering, unrecovered provider credits are related to providers who are no longer in business or billing Medicaid.



FINDINGS & IMPROVEMENTS

FINDING: 1

DHS has not attempted to recover over \$40 million in outstanding over-payments to Medical Assistance providers' accounts

Actions DHS has been taking

- Since 2018, RAC has been attempting to recover PCBs from providers with the largest balances
- PCBs have been recovered through surety bonds

Improvements moving forward

- Letters sent to providers with existing Credit Balances
- Clear process for recovery of new Provider Credit Balances
- Credit Balance reviewed with each warrant cycle every two weeks

FINDING: 2

DHS is planning to forgo recovery of outstanding provider debt that may still be recoverable

Actions DHS has been taking

- Write offs consistent with State law:
- Cost effectiveness
 - Statute of limitations
 - Provider is deceased or bankrupt

Improvements moving forward

- DHS will continue to follow all existing laws and internal policies
- Modify recovery policy to align with current cost-effectiveness criteria



FINDINGS & IMPROVEMENTS

FINDING: 3

DHS has not accurately reported its accounts receivable balance to MMB for inclusion in the State's financial statements since 2019.

Improvements moving forward

- Ensure that provider credits are correctly reflected in MMIS and SWIFT
- Establish new reports to monitor credit balance activity
- Analyze and correct the allowance for doubtful accounts.

FINDING: 4

DHS was unable to provide adequate data to enable us to confirm the outstanding provider balances.

Improvements moving forward

Establish process to retain adequate documentation of Provider Credit Balances




RAC EFFORTS TO RECOVER PCBs

RAC

The Recovery Audit Contractor working with DHS to identify and recover improper Medicaid payments. (RCA Paid based on % of Recovery)


Not Cost Effective

The RAC was able to recover some PCBs, but ended the project because it was not cost effective to continue.



1

2018 ...




2

2019 ...


2018 ~ 2022

The RAC worked to identify and recover PCBs with a focus on hospitals.



3

2020 ...





4

2021 ...

3.9% Recovered

The RAC recovered \$125,000 out of \$3.2 million PCBs assigned to hospitals ... Or 3.9%.





OTHER DHS EFFORTS TO RECOVER PCBs

1 RAC
DHS has used its RAC contractor to identify and recover PCBs from hospitals and nursing homes, which are the providers with the largest balances.
Since 2018, the RAC has recovered \$125,000 in PCBs from hospitals.
Since 2023, it has recovered \$74,000 from nursing homes.

2 Surety Bonds
DHS has also recovered at least \$500,000 in provider credits through surety bonds.
These funds were accounted for in the state accounting system but not reflected in MMIS.
Therefore they still show up in the \$40 million in outstanding PCBs reported by the OLA.

3 Direct Contact
DHS has also sent letters to providers with outstanding PCBs exceeding \$1,000 that are 3-6 years old seeking repayment.
The Department is still receiving responses but many of the letters have bounced back.

m DEPARTMENT OF HUMAN SERVICES

WRITING OFF PCBs

1 Cost Effective
State law and MMB policy make cost effectiveness a factor pursuing debt collection.
DHS has consistently considered cost effectiveness when determining whether to write-off debt.

2 Write-Off Actions
DHS is in the process of writing off PCBs for:
* Less than \$1,000
* SOL expired
* Deceased or bankrupt

3 Continue Recovery Efforts
Writing off PCBs does not mean DHS has stopped all recovery efforts.
Under certain circumstances, DHS will continue to contact providers where PCBs have been written off.

m DEPARTMENT OF HUMAN SERVICES

**RESULT OF THE
CONTINUOUS IMPROVEMENT PROJECT:
Provider credits are resolved
continuously in a timely manner**

