Optum

Fact Sheet
Aug. 1, 2024

Medicare Advantage Reimbursement

Recovery of overpayments made to licensed clinical social workers

Overview

For behavioral health services provided to Medicare Advantage plan members, the Centers for Medicare & Medicaid Services (CMS) requires out-of-network providers to accept, as payment in full, the reimbursement amount(s) that the provider could collect if the member (beneficiary) was enrolled in original Medicare.

For out-of-network licensed clinical social workers (LCSW), CMS has set the reimbursement rate at 75% of the CMS physician fee schedule rate.

Out-of-network LCSW were incorrectly reimbursed at 100% of the CMS physician fee schedule. When payments are made in excess of CMS physician fee schedules, providers are obligated to refund overpayments.

Overpayment Details

Since overpayments and recoupment are relatively rare occurrences in behavioral health, some providers may not be used to receiving these notifications. Here are the details of this issue:

In-Scope	Out-of-Scope
• Covered behavioral health services provided to a Medicare Advantage plan member by an out-of-network LCSW • The out-of-network LCSW must have received a written overpayment notification	• Covered behavioral health services provided by an in-network LCSW **Note:** Network providers who have received an overpayment notification letter should follow the disagreement process outlined in the letter if they believe they were reimbursed correctly based on their contracted rate

Notification Letters

The overpayment letters outline the following information:

- The claim(s) that were overpaid
- The amount(s) that were overpaid
- Instructions on how to repay the overpaid amount
- Instructions on how to submit a dispute of the identified overpayment if the provider disagrees with the request

What to Expect

- Recovery of overpayments has been divided into two phases:
  - Phase 1: Dates of service from 1/1/22 – 4/30/23 notified December 2023 and January 2024.
  - Phase 2: Dates of service from 5/1/23 – 2/28/24, notified August 2024.
- Providers should:
  - Follow the overpayment process outlined, OR
  - Follow the disagreement process as outlined, OR
    - Providers have 90 days from the date of overpayment letter to submit all disagreements.
    - After 90 days, future claims submissions may be offset to return overpayments.

To Request Assistance

If a provider is unable to repay the amounts owed in the timeframes allotted in the overpayment letter, please contact 1-800-727-6735 or email Recoveryicm@optum.com to discuss payment plan options extending up to 12 months.

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