

Alaska Medicaid Provider Update

Change to Optum Recovery of an Overpayment Process April 14, 2022

Optum's System is being updated when an overpayment is identified.

Currently when an overpayment is identified, there are three actions that take place:

1. A provider is notified on a Remittance Advise of an overpayment.
2. A provider receives an Overpayment Recovery Letter titled, "Refund Request" and
3. An overpayment is eligible for recovery by reducing a provider's future payment(s) after 28 days of the date on the letter.

What is changing?

When an overpayment is identified and the claim originally paid 120 or more days ago, Optum will be recovering the overpayment by reducing a provider's future payment(s) after 69 days of the date on the letter. This will be effective April 18, 2022.

When an overpayment is identified on a claim originally paid between 1 and 119 days ago, Optum will attempt to recover the overpayment by reducing a provider's future payment(s) as soon as 4 days after the date on the letter. This change will be implemented within the coming days. Communication on the effective date will follow.

NOTE: Optum does NOT recommend that a provider who is routinely billing and receiving payments from Optum send a refund check to Optum in the mail. This is not recommended as the check may arrive to Optum, after the overpayment has already been recovered by reducing a provider's future payment.

Why is this changing?

Based on provider feedback, having adjustments and recoveries occur closer in time will assist providers in their reconciliation process thus Optum is changing recovery from 28 days to 4 days for those claims that originally paid between 1 and 119 days ago.

Optum is required to provide 60-day notification to providers for overpayments when a claim was originally paid 120 days or more.

What is not changing?

Currently, adjustments appear on the provider remittance advice at the time of the adjustment even if there is no financial recovery. This will appear again on the remittance advice when financial recovery takes place.

What action do providers need to take?

There is no action required from providers with this change.