

Spring 2025

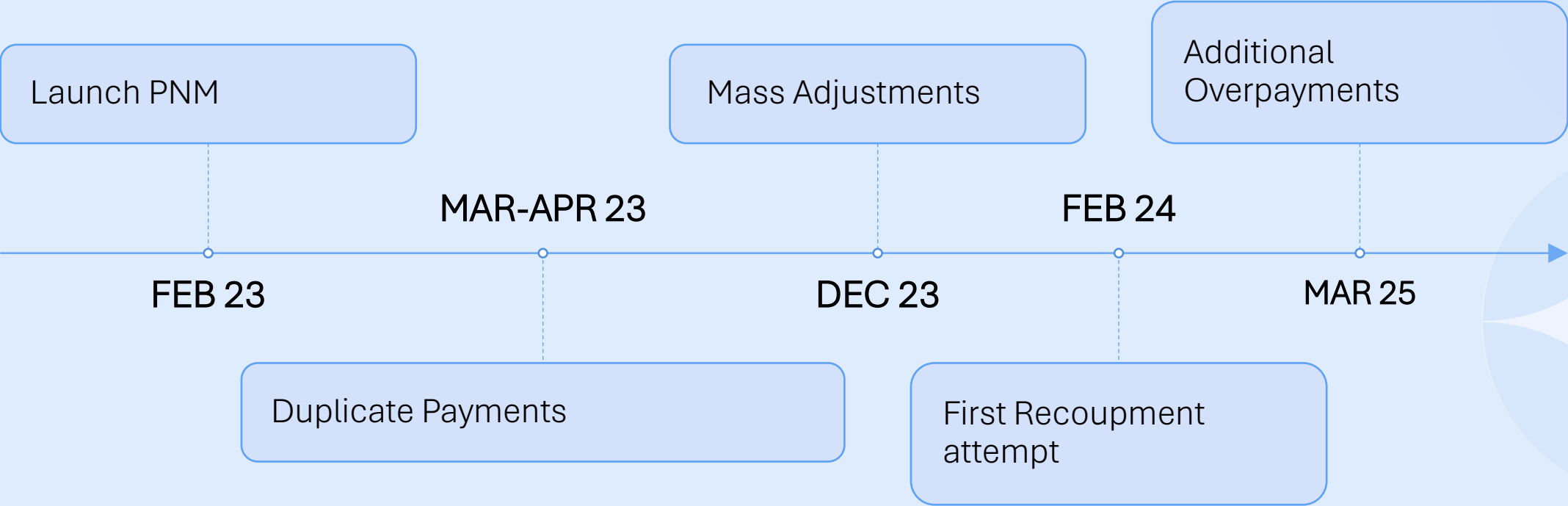
Medicaid Transactions and Impacts for Financial Statements



AGENDA

- History of overpayments
- Future Recoupment Plan
- Impact on Financial Statements
- Cash Flow Preparation

HISTORY OF OVERPAYMENTS



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Original overpayments

- 2023 overpayments originated from duplicate billing in MITS and PNM
- December 2023 overpayments originated from ODM initiated adjustment claims to correct incorrect payments that did not deduct patient liability
- Original attempts to recoup these dollars were unsuccessful
- We requested staggered repayment and ability to review recoupments prior to initiation

MARCH 2025 TRANSACTIONS

- **February 28 2025** ODM issues communication indicating that they will begin recouping overpayments from duplicate claims and patient liability overpayments over a 6 month period of time. Providers would receive a report that shows the recoupments to be taken and have an opportunity to dispute.
- **March 6 2025** OHCA Members report recoupments seen on RA
- **March 13 2025** ODM attempts to stop the transactions. Some providers receive a normal payment with no issues
 - Most providers receive two payments. One with recoupments and one LTC Correction Payment with no information on the payment

CORRECTING REMITTANCE ADVICE

- **May 2- May 9, 2025** ODM issues new versions of the March 13 remittance advice report and remove erroneous versions on PNM. It is only in PDF form in PNM and no 835 (electronic version) was generated.
 - Providers should remove the original posting of the original March 13 remit and only post the remits that are now in PNM
 - Some providers received multiple payments on March 13.

MAY 2025 TRANSACTIONS

- **May 8 2025** OHCA members report additional recoupments applied to their payments this week in the hundreds of thousands of dollars. Some of these payments also include the April room and board payment
- **May 20 2025** OHCA meets with ODM and learns that the May 8 recoupments are to offset the March 13 overpayments and should not contain recoupments from the larger overpayment project resultant of 2022 and 2023 transactions.
 - These are not clean transactions.
 - Underpayments and additional overpayments, while small, still resulted.

HELD ACCOUNTS RECEIVED

- When ODM intervened in the March 13 payments, some claims A/R were held
 - These claim holds were released in two batches
 - The most recent claim hold release was on May 8
 - Cash receipts for March through May should be averaged to see if you are still short cash for those payments

FUTURE RECOUPMENT PLAN

- During our meeting on May 20, ODM affirmed the following:
 - OHCA members will receive a dashboard to review prior to recoupments of original overpayments
 - Providers will be given an opportunity to dispute overpayments that you feel are not correct prior to the recoupments initiating
 - Timeline and exact process are still unknown
 - Total recoupment amount will be taken over 6 months at 15% a month

FUTURE RECOUPMENT PLAN

- Additional Considerations
 - Ensure that you have accounted for your overpayments
 - Ensure that March 13 cash posting matches the bank deposits
 - Utilize every opportunity to dispute the recoupments that appear incorrect.
 - Make a copy of the dashboard via screen shot
 - Verify recoupments taken match the dashboard
 - Plan for reduction in cash based on recoupment amounts to be taken
 - Timely filing exceptions will be granted for erroneous recoupments

IMPACTS ON FINANCIAL STATEMENTS

- May 8 2025 Transactions created new receivables and new overpayments
 - Allowance for doubtful accounts
 - Reserves for Medicaid FFS AR generated in transactions between March and May should be reduced
 - Reliability of AR amounts due
 - AR accounting of overpayments is crucial ahead of dashboard review
 - Move all amounts posted to General Ledger account to resident AR
 - Require billers to request all missing Ras
 - Require billers to submit tickets on all unidentified recoupment amounts

IMPACTS ON CASH FLOW

- Total amount of recoupment should be budgeted overtime
 - Dashboard total recoupment balance * 15% for 6 month period
 - Expected to start soon after the dashboard is issued
 - No confirmed timeline on cash impact to date, estimate June-July start date
- Previous transactions occurred in two phases
 - Takeback one week and repayment of claim next week
 - Work with billers on impact to your cash flow if entire claim amount is withheld

IMPACTS ON CASH FLOW

Example

- Total overpayment on claim is \$1000. Total reimbursement for claim is \$5000
 - ODM takeback \$5000 on July 11, reducing vendor for June by \$5000
 - ODM repays \$4000 on July 18, reconciling account

Questions?

ERIN HART

614-420-0291

EHART@OHCA.ORG