

**KANSAS DEPARTMENT ON AGING**

**Section 1.6**

**Medicaid Provider Overpayment**

**10-98**

**Effective Date: October 15, 1998**

**Revision: 98-7**

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**1.6 Medicaid Provider Overpayment**

**1.6.1 Overpayment Identification**

Upon identification of an overpayment made to an HCBS/FE Waiver Service Provider, or to a AAA for Targeted Case Management services, the following will occur.

- A. Notification shall be sent under the signature of the Administrator of the Medicaid Quality Review Program to the Medicaid Provider Agency identifying the overpayment issue. The notification shall include:
  - 1. The option of an informal review,
  - 2. The provider's appeal rights, and
  - 3. The method of recoupment that shall be used.
  
- B. The Provider Agency has the option to request an informal review. Requests for an informal review shall be made within 10 working days of the initial letter requesting recoupment. The Informal Review Committee shall meet within 5 working days to review the documentation with the Provider Agency and render a decision.

All requests for an informal review, along with supporting documentation, shall be sent via facsimile to the Administrator of the Medicaid Quality Review Program who will chair the Informal Review Committee. The Committee will be comprised of the Medicaid Quality Reviewer who identified the overpayment, the appropriate MQR Regional Manager and the Administrator of the MQR program.

There are four possible outcomes of an informal review.

- 1. Evidence presented by the Provider Agency is sufficient to prove that no overpayment was made, and the issue is resolved at which time KDOA will issue a formal withdrawal letter.
- 2. Evidence presented by the Provider Agency is insufficient to prove that no overpayment was made. The Provider Agency either agrees to recoupment or proceeds with filing of a formal appeal.
- 3. Evidence presented by the Provider Agency is sufficient to prove that a portion of the overpayment was not made and is insufficient to prove that all of overpayment was not made. The Provider Agency either agrees to recoupment or proceeds with filing of a formal appeal.

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4. If the Provider agrees to recoupment, the recoupment shall be made electronically by the Administrative Services Commission. If the Provider files a formal appeal, the Provider shall follow the established appeals policy.
- C. If the Provider agrees to recoupment, a formal letter, outlining the agreement of the Provider Agency and the amount of the recoupment, shall be issued by the Administrator of the MQR program.
- D. If the Provider files a formal appeal, the normal appeals process, as identified in Section 1.3 of the Field Services Manual, shall be followed. Appeals will be forwarded Kansas Department of Administration, Office of Administrative Hearings.
- E. If the Provider Agency does not request an informal review or formal appeal within the allotted 30 days, the Provider Agency will be notified in writing by the Administrator of the MQR program that the recoupment shall be processed.
- F. All efforts at recoupment shall be made by KDOA Administrative Services.
- G. Adjustments shall be made electronically by KDOA.
- H. Provider Agencies shall be notified, in writing, that the adjustment has been processed.

**1.6.2 Referrals to Surveillance and Utilization Review Subsystem (SURS) and the Medicaid Fraud Unit**

- A. KDOA has the option to refer to SURS any overpayment issues which indicate a more extensive review is needed.
- B. KDOA has the obligation to report suspected cases of Medicaid Fraud to the Medicaid Fraud and Abuse Division of the Kansas Office of Attorney General.