

Medical Coverage Policy | Post Payment Audits Mandate and Adjustments



EFFECTIVE DATE: 10/06/2009
POLICY LAST UPDATED: 05/20/2014

OVERVIEW

This policy documents post payment audit recovery and other adjustments due to under or overpayments in non-Federal products (Commercial) in accordance with RI General Laws (RIGL) § 27-19-56 and § 27-20-51 and applicable to non-institutional health care providers as defined in those sections. The policy for institutions/hospital recovery is described below.

This policy does not apply to Blue CHIP for Medicare, Federal Employees Program, or other federal programs. For these programs, post payment recovery would follow the guidelines set forward by these agencies.

PRIOR AUTHORIZATION

Not Applicable

POLICY STATEMENT

Contractual obligations regarding timely filing apply to requests for adjustments. Any request for an adjustment to a claim that is for the purpose of obtaining higher payment must occur within the contractual timely filing deadline that applied to the original filing.

Any request for recovery made by Blue Cross and Blue Shield of Rhode Island (BCBSRI) or any request related to underpayment received from a professional provider will be adjudicated in a manner consistent with RIGL § 27-19-56 and § 27-20-51 as detailed below for non-federal programs. BCBSRI may voluntarily, and at their sole discretion, correct underpayment outside of these time frames. Professional providers may voluntarily correct overpayment outside of these time frames.

The laws do not apply to institutional providers. Institutional/hospital recovery is made in accordance with the provider contract or as stipulated below.

These policies do not apply to fraud or intentional misrepresentation of services.

MEDICAL CRITERIA

Not Applicable

BACKGROUND

Blue Cross & Blue Shield of Rhode Island's Right to Recovery

From Providers (individual clinician, either in practice independently or in a group, who provides health care services, and otherwise referred to as a non-institutional provider):

Unless otherwise dictated resulting in a shorter time period, Blue Cross & Blue Shield of Rhode Island's right to recovery of payments shall be in accordance with RIGL § 27-19-56 (a) and § 27-20-51 (a). BCBSRI is both a Nonprofit Hospital Service Corporation and a Nonprofit Medical Service Corporation and therefore, both sections of the law are applicable.

§ 27-19-56 Post-payment audits. – (a) Except as otherwise provided herein, any review, audit or investigation by a nonprofit hospital service corporation of a health care provider's claims which results in the recoupment or set-off of funds previously paid to the health care provider in respect to such claims shall be completed no later than eighteen (18) months after the completed claims were initially paid. This section shall not restrict any review, audit or investigation regarding claims that are submitted fraudulently, are subject to a pattern of inappropriate billing, are related to coordination of benefits, are duplicate claims, or are subject to any federal law or regulation that permits claims review beyond the period provided herein.

§ 27-20-51 Post-payment audits. – (a) Except as otherwise provided herein, any review, audit or investigation by a nonprofit medical service corporation of a health care provider's claims which results in the recoupment or set-off of funds previously paid to the health care provider in respect to such claims shall be completed no later than eighteen (18) months after the completed claims were initially paid. This section shall not restrict any review, audit or investigation regarding claims that are submitted fraudulently, are subject to a pattern of inappropriate billing, are related to coordination of benefits, are duplicate claims, or are subject to any federal law or regulation that permits claims review beyond the period provided herein.

From Institutions/Hospitals:

Any review or audit by Blue Cross & Blue Shield of Rhode Island of an institution or hospital which results in the recoupment of funds previously paid to the institution or hospital with respect to the institution's or hospital's claims shall be completed in accordance with the time set forth in such provider's contract that applied to the original filing, or if not stated, the amount of time in the timely filing provision of the contract between Blue Cross & Blue Shield of Rhode Island and the institution or hospital that applied to the original filing.

RIGL § 27-19-56 and § 27-20-51 do not apply to institutional providers.

Providers Right to Recovery from Blue Cross & Blue Shield of Rhode Island:

From Providers (individual clinician, either in practice independently or in a group, who provides health care services, and otherwise referred to as a non-institutional provider):

The providers right of recovery shall be in accordance with RIGL § 27-19-56 (b) and § 27-20-51 (b) :

Post-payment audits. – (b) No health care provider shall seek reimbursement from a payer for underpayment of a claim later than eighteen (18) months from the date the first payment on the claim was made, except if the claim is the subject of an appeal properly submitted pursuant to the payer's claims appeal policies or the claim is subject to continual claims submission.

No provider shall seek reimbursement from Blue Cross & Blue Shield of Rhode Island for underpayment of a claim later than the timeline set forth above, except if the claim is the subject of an appeal properly submitted pursuant to the Blue Cross & Blue Shield of Rhode Island's claims appeal policies. Appeal submittal must be within appeal time frames.

Institutions/Hospitals Right to Recovery from Blue Cross & Blue Shield of Rhode Island:

Any review or audit by an institution and/or hospital which results in the request for a higher payment of funds previously paid to the institution or hospital shall be completed in accordance with the time set forth in the contract with the provider that applied to the original filing, or if no time frame is stated, the length of time of the timely filing provision of the contract between Blue Cross & Blue Shield of Rhode Island and the institution or hospital that applied to the original filing, unless the contract between Blue Cross & Blue Shield of Rhode Island and the institution or hospital states otherwise.

No institution or hospital shall seek reimbursement from Blue Cross & Blue Shield of Rhode Island for underpayment of a claim later than the timeline set forth above, except if the claim is the subject of an appeal properly submitted pursuant to the Blue Cross & Blue Shield of Rhode Island's claims appeal policies.

This policy shall not restrict any review, audit or investigation regarding claims that are suspected as being submitted fraudulently.

§ 27-20-51 (d) and § 27-19-56 (d) :

Except for those contracts where the health insurer or plan has the right to unilaterally amend the terms of the contract, the parties shall be able to negotiate contract terms which allow for different time frames than is prescribed herein.

Terms:

- **Recovery/Recoupment:** A demand for repayment based upon the findings of an audit, review or investigation
- **Underpayment reimbursement request:** A request for reimbursement of an improperly paid claim.
- **Adjustment:** A correction of an incorrectly filed claim.

The above policy has the following limitations:

- Timely filing requirements are not affected. The above policy and statute refer to time frames after the initial payment. Clean claims requirement also are unaffected.
- Adjustment request time frames are not affected. An adjustment request is distinct from a request related to believed underpayment and must be made within the timely filing limitations.
- Underpayment reimbursement requests must be received (18) months of the date first payment was made.

COVERAGE

Benefits may vary between groups/contracts. Please refer to the appropriate Evidence of Coverage, or Subscriber Agreement for applicable coverage/benefits.

Rhode Island mandated benefits generally do not apply to Blue CHIP for Medicare. Self-funded groups may or may not choose to follow state mandate(s).

CODING

None

RELATED POLICIES

None

PUBLISHED

Provider Update	Aug 2014
Provider Update	Sep 2013
Provider Update	July 2012
Provider Update	May 2011
Provider Update	Feb 2011
Provider Update	May 2010
Provider Update	Dec 2009

REFERENCES

Rhode Island General Law, § 27-19-56 Post-payment audits:

<http://webserver.rilin.state.ri.us/Statutes/TITLE27/27-19/27-19-56.HTM>

Rhode Island General Law, § 27-20-51 Post-payment audits

<http://webserver.rilin.state.ri.us/Statutes/TITLE27/27-20/27-20-51.HTM>

CLICK THE ENVELOPE ICON BELOW TO SUBMIT COMMENTS

This medical policy is made available to you for informational purposes only. It is not a guarantee of payment or a substitute for your medical judgment in the treatment of your patients. Benefits and eligibility are determined by the member's subscriber agreement or member certificate and/or the employer agreement, and those documents will supersede the provisions of this medical policy. For information on member-specific benefits, call the provider call center. If you provide services to a member which are determined to not be medically necessary (or in some cases medically necessary services which are non-covered benefits), you may not charge the member for the services unless you have informed the member and they have agreed in writing in advance to continue with the treatment at their own expense. Please refer to your participation agreement(s) for the applicable provisions. This policy is current at the time of publication; however, medical practices, technology, and knowledge are constantly changing. BCBSRI reserves the right to review and revise this policy for any reason and at any time, with or without notice. Blue Cross & Blue Shield of Rhode Island is an independent licensee of the Blue Cross and Blue Shield Association.

