

Interpreting complex claim issues on *Explanation of Payments**— recoupments, negative balances, refunds, and negative balance deferred

* Also known as remit or remittance advice



Overview

- Understanding recoupments
- Understanding negative balances
- Understanding refunds
- Complex claim scenarios
- Navigating the remittance inquiry application in Availity Essentials **Payer Spaces**

Note: This overview came together in partnership with the following departments — Health Care Networks, E-Solutions, Provider Communications, and Program Integrity.



Understanding recoupments

What is recoupment?

- Recoupment is the process of recovering money overpaid to providers by the company for claims the provider has submitted.
- These claims can span across multiple lines of business (Commercial, Medicaid, Medicare, etc.).
- Recoupment is an automatic recovery process. Payment systems will auto-apply and calculate recoupment payments into the provider's remittance.



Understanding recoupments (cont.)

How do I know there is a recoupment?

This module will focus on recognizing recoupments on the *Explanation of Payment (EOP)* (or remit). There are a few ways to recognize a recoupment:

- 1. Any money withheld on an *EOP* will show as *Amount Previously Overpaid* under *Payment Summary*:

IRS WITHHELD	0.00
STATE WITHHELD	0.00
AMOUNT PREVIOUSLY OVERPAID	49.36-
AMOUNT DISBURSED	16,148.86
RECOUPMENT BALANCE	0.00

- 2. You will see boxes at the top of the next page that only show member information, with no claim lines. This indicates a previous claim from this member is included in a recoupment on this *EOP*.

PATIENT NAME	INSURED'S ID	PATIENT ACCOUNT#	CLAIM ID	ORIGINATING DATE
[REDACTED]	[REDACTED]		[REDACTED]	03/16/16

- 3. There will be a *Recoupment Notification* page at the end of the remit. We will explain this page later in this module.



Understanding negative balances

What is a negative balance?

- When we are unable to recoup an overpayment immediately from a provider, the claim is set up on a **negative balance**.
- We will keep track of money recouped and the amount due on the recoupment notification section of the remittance advice.
- This amount may be retracted all in one payment cycle or could be spread out over multiple payment cycles.

TOTAL APPROVED AMOUNT	148.32-
TOTAL INTEREST	0.00
TOTAL NET AMOUNT DUE: PATHWAY - TIERED	148.32-



Understanding negative balances (cont.)

- When the entire amount that would have been paid on a remittance has been withheld, the check number will start with 900.
- To locate the remits reflecting the negative balance, search all remits on or after the date listed and by the enterprise payee ID, until you find the remit with the completed recovery and the remit with a positive payment.

DATE 04/14/22

PROVIDER NAME	MEDICAL CTR OF AURORA
ADDRESS	PO BOX 403150 ATLANTA GA 30384-3150
PROVIDER-NPI IDS	060100 - 1659327013
TAX ID NO	XXXXX6819
CHECK NUMBER:	9000428966

Note: The final remit may include a partial positive payment, and the payment will not begin with 900.



Understanding negative balances (cont.)

Possible reasons for negative balances

There are multiple possible reasons a provider might accrue a negative balance on their account. Below are only a few:

- Facets configuration issues
- Wrong provider selected
- Member with other health insurance (OHI):
 - For example: member in need of update to either add or remove OHI from their record
- Any other reason an adjustment is needed on a claim



Understanding refunds

What is a refund?

A refund is the result of a provider being proactive about the overpayment we requested back to avoid automatic recoupment. The provider has the option to pay the amount due on the overpaid claim in advance, rather than having the company recoup the money owed.

INSURED'S NAME:
PATIENT ACCOUNT#:
SERVICE PROVIDER NAME:
11/14/2014 11/14/2014
INTEREST PAID
REFUND



Complex claim scenarios

Overview

There are three complex claim scenarios we will be looking at in this module:

- 1. Alternate-day recovery** — Provider's negative balance was recouped from a claim with a remit date that is different from the remit with the claim detail on it.
- 2. Same-day recovery** — Provider's negative balance was recouped from a claim on the same day as the current remit. Some investigative work is required to find the appropriate remit with the recoupment information on it.
- 3. Provider refund** — Provider has proactively resolved his/her overpayment by issuing a refund to the company.



Complex claim scenarios (cont.)

Alternate-day recovery:

- This example shows an instance in which the provider acquired the negative balance on a different date from the current remit that we are looking at.
- You will notice on the screen print below that there is an amount due of \$49.36 as a negative balance, and the net amount the provider received on this remit is \$16,148.86:



IRS WITHHELD	0.00
STATE WITHHELD	0.00
AMOUNT PREVIOUSLY OVERPAID	49.36
AMOUNT DISBURSED	16,148.86
RECOUPMENT BALANCE	0.00

- Because the provider had a positive amount to be disbursed, we were able to collect the entire previous negative balance on this remit.
- In order to find detailed information on this recoupment, we will need to look at the *Recoupment Notification* section at the end of the remit.



Complex claim scenarios (cont.)

Recoupment notification

The *Recoupment Notification* section keeps track of all the claim information for this provider's negative balance. It is only printed one time per day, so recoupment information may not appear on other remits for the same date.

Note: Remember, at this point, you would search for other remits on that remit date for the correct claim.

There are two claim number sections in the *Recoupment Notification*:

- **Claim number** — the claim number that corresponds with the member's information in that row in the *Recoupment Notification*
- **Original negative claim number** — the claim number that corresponds with the claim in the *Negative Balance History* to which the money is initially owed



Complex claim scenarios (cont.)

It is broken down into three sections:

- Negative balance history** — includes all of the claims that have an overpayment; in other words, the claims that originally caused the negative balance

REMIT DATE	PATIENT NAME	PATIENT ACCT	SUBSCRIBER ID	CLAIM NUMBER	DATE OF SERVICE	ORIGINAL NEGATIVE CLAIM NUMBER	CLAIM AMOUNT	CREDITS RECOVERED	ADJ CD	CHARGE AMT	RECOVERY LETTER ID	
NEGATIVE BALANCE HISTORY:												
03/16/16					096 02/23/15		145,446.03-	145,446.03		346,706.64	5308867	
03/23/16					098 07/17/15		33,060.59-	33,060.59		61,919.30	5321796	
04/07/16					094 05/19/15		20,337.98-	20,337.98		38,663.92	5352898	
04/11/16					498 02/05/14		8,450.32-	8,450.32		46,242.70	5358833	
TOTAL NEGATIVE BALANCE							208,194.92-					

- Prior recoupment** — includes all of the claims from which we have previously withheld money to apply to the overpaid claims in the *Negative Balance History* section

PRIOR RECOUPMENT:											
03/16/16					090 02/18/16		1,781.57	1,781.57		31,857.00	
03/16/16					190 12/16/15		9.80	9.80		6,429.04	
03/16/16					190 02/19/16		1,404.18	1,404.18		26,741.60	

- Current recoupment** — includes all of the claims from which we are withholding money on the current remit date to apply to the overpaid claims in the *Negative Balance History* section

CURRENT RECOUPMENT:												
05/16/16					790 04/15/16		15,082.80	49.36		25,435.50		
TOTAL CURRENT RECOUPMENT							49.36					



Complex claim scenarios (cont.)

Provider refund

There are three types of refunds:

- 1. **Short refund** — a refund sent by the provider that does not fully satisfy, or over satisfies, the entire negative balance due; there may still be a negative balance on that claim

Note: If there are other positive claims on that remit, the provider may still get a payout, minus any additional negative balance on the claim after the refund is processed.

GROSS APPROVED CLAIM AMOUNT	3,838.08-
PROVIDER REFUND	4,686.09
TOTAL INTEREST	0.00
NET AMOUNT DUE	848.01



Complex claim scenarios (cont.)

- 2. **Full refund** — a refund sent by the provider that satisfies the entire negative balance due; the net amount due to provider for the claim the refund is applied to is \$0

Note: If there are other positive claims on that remit, the provider may still get a payout.

GROSS APPROVED CLAIM AMOUNT	172.57-
PROVIDER REFUND	172.57
TOTAL INTEREST	0.00
NET AMOUNT DUE	0.00

The claims to which the provider's refund has posted are listed directly in the remit on the claim lines. In the example below, you will see that the provider submitted a refund for \$72.01, and it was applied to the claim number ending in 201. Since \$0 are allowed, there is no total net paid.

SERVICE DATE(S)	SERVICE CODES	POS	CHARGE	ALLOWED	DEDUCTIBLE	CO-PAY	CO-INSURANCE	CONTRACTUAL DIFFERENCE	PROVIDER RESP. AMOUNT	EXPLANSI CODE(S)	INSURED RESPONSIBILITY AMOUNT	EXPLANSI CODE(S)	NET PAID
INSURED'S NAME		INSURED'S ID		PATIENT NAME		FOR INQUIRIES CALL:							
PATIENT ACCOUNT#		CLAIM NUMBER		RECEIVED DATE: 03/11/2016		(800) 901-0020							
SERVICE PROVIDER NAME		SERVICE PROVIDER ID		EXPL CD:									
11/19/2014 11/19/2014	99213	11	85.00	0.00	0.00	0.00	0.00	0.00	85.00	CDD 18	0.00		0.00
TOTAL:			85.00	0.00	0.00	0.00	0.00	0.00	85.00		0.00		0.00
INTEREST PAID													0.00
REFUND													72.01
TOTAL NET PAID													0.00



Complex claim scenarios (cont.)

3. Refund applied to recoupment — the refund will appear in the recoupment notification under the *Negative Balance History* and/or the *Prior Recoupment*

As you see in the example below, the refund will appear first as a negative number, and then a positive number with REF to the right.

NEGATIVE BALANCE HISTORY:								
04/16/12				8697	02/27/12	8697	714.17-	714.17
05/12/12				9791	03/10/12	9791	93.97-	93.97
05/29/12				C9975	03/20/12	9975	116.16-	116.16 REF
TOTAL NEGATIVE BALANCE:							924.29-	

PRIOR RECOUPMENT:								
04/20/12				2397	04/07/12	9791	300.20	93.97
04/20/12				2397	04/07/12	8697	300.20	206.23
05/12/12				8097	03/07/12	9791	52.88	52.88
05/29/12				975	03/20/12	9975	116.16	116.16 REF
TOTAL PRIOR RECOUPMENT:								469.23



Complex claim scenarios (cont.)

Negative balance deferred

The *Negative Balance Deferred* section displays the claims adjusted and being held in the financial system until the expected recoup date, allowing the provider an opportunity to submit a refund or dispute the overpayment before the funds are recouped and finalized. An expected recoup date of March 31, 1999, indicates the claims will not offset.

The total deferred amount is listed in the summary section below:

REACT DATE	PATIENT NAME	PATIENT ADOF	SUBSCRIBER ID	CLAIM NUMBER / REFUND ID	DATE OF SERVICE	ORIGINAL NEGATIVE CLAIM NUMBER	CLAIM AMOUNT	EXPECTED RECOUP DATE	ACT ID	CHARGE AMT	RECOVERY LETTER ID
NEGATIVE BALANCE DEFERRED:											
06/01/22	IF		RESPONSE	0600	06/01/22	0600	200.00	12/31/99		1,000.00	
06/01/22	IF		RESPONSE	0600	06/01/22	0600	200.00	12/31/99		1,000.00	
TOTAL NEGATIVE BALANCE DEFERRED							400.00-				
TOTAL PRIOR RECOUPMENT 0.00											
TOTAL CURRENT RECOUPMENT 0.00											
TOTAL OUTSTANDING NEGATIVE BAL 0.00											
TOTAL DEFERRED 400.00-											
OUTSTANDING NEGAL WITH DIFFER 400.00-											



Navigating to the remittance inquiry application in Availity **Payer Spaces**



Navigating to the remittance inquiry application in **Availity Payer Spaces**

Select the health plan from the **Payer Spaces** drop-down menu.



Navigating to the remittance inquiry application in Availity Payer Spaces (cont.)

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Navigating to the remittance inquiry application in Availity Payer Spaces (cont.)

1
Search Remits

2
Search Results

Organization 

Tax ID 

Search by: 

Check/EFT/Payment Number Issue Date Range

(Remittances are accessible for up to 24 months in the past from current date.)

Check/EFT/Payment Number:

Please contact the Customer Service number on the member's ID card if you have questions related to a remittance inquiry.

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Navigating to the remittance inquiry application in Availity Payer Spaces (cont.)

1 Search Remits

2 Search Results

Your Search Criteria:
Check/EFT/Payment Number:

Transaction ID: ABCBS-ERV-44233
Transaction Date: Jun 09 2022 5:37

Remittance Inquiry Results:

▲ Provider Name	Issue Date	Check/EFT/Payment Number	Check/EFT/Payment Amount	V
Sydney Provider	05-24-2021	1234567	\$80.67	View

Refine Search New Search ↻


ase contact the Customer Service number on the member's ID card if you have questions related to a remittance inquiry.





Navigating to the remittance inquiry application in Availity Payer Spaces (cont.)

1
Search Remits


2
Search Results



Organization 

Tax ID 

Search by: 

Express Entry

NPI 

Issue Date Range: *(Date Range must be no more than 7 days. Remittances are accessible for up to 24 months in the past from current date.)*
From:  To: 



Navigating to the remittance inquiry application in Availity Payer Spaces (cont.)

Search RemitsSearch Results

Your Search Criteria:
NPI: ·
Issue Date Range: 05/23/2022 - 05/27/2022

Transaction ID:
Transaction Date: Jun 09 2022 9:33 AM

Remittance Inquiry Results: 1 - 14 of 14 records displayed

▲ Provider Name	Issue Date	Check/EFT/Payment Number	Check/EFT/Payment Amount	View Remittance
Sydney Provider	05-25-2022	12345678		View Remittance
Sydney Provider	05-23-2022	12345678		View Remittance
Sydney Provider	05-23-2022	12345678		View Remittance
Sydney Provider	05-23-2022	12345678		View Remittance
Sydney Provider	05-23-2022	12345678		View Remittance
Sydney Provider	05-23-2022	12345678		View Remittance
Sydney Provider	05-24-2022	12345678		View Remittance
Sydney Provider	05-25-2022	12345678		View Remittance
Sydney Provider	05-25-2022	12345678		View Remittance
Sydney Provider	05-26-2022	12345678		View Remittance
Sydney Provider	05-27-2022	12345678		View Remittance
Sydney Provider	05-27-2022	12345678		View Remittance





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