

March 13, 2023

# Provider notice

## Explanation of Payment Refund Reporting Enhancement

Molina Healthcare would like to provide some additional details regarding an enhancement to the reporting of refunds received that are being displayed on your Explanation of Payment and 835 files.

### What is the change?

When Molina transitioned to the new payment platform, you may have noticed that refunds received from yourself, or a third-party payer are now being reflected on your Explanation of Payment (EOP) and 835. This refund is reflected on the claim in the **Refund** column on a reversal claim on the EOP. In addition, a remit message was included indicating receipt of a refund.

If the refund received was a partial refund, a balancing adjustment claim ending in A is created to balance to the reversal, ensuring there is no recoupment.

Recent updates to the Explanation of Payments and 835 implemented 03/01/23 have been made to make this clearer, as some systems reflected this amount from the 835 as a forwarding balance in error. The updates are:

- Addition of Adjustment types “Overpayment Recovery” and “Provider Return/Refund credit” in the Payment Adjustments section of the EOP. These net adjustments will reflect the application of all refunds on the payment separately from any forwarding balances/recoupments.
- Changes to the PLB segment on the 835.
  - Items labeled as Provider Return/Refund credit will be reflected on your 835 as adjustment code type 72.
  - Items labeled as Overpayment Recovery will be reflected on your 835 as adjustment code type WO.
  - This is our method of recording refunds received and will result in a net total of \$0.00 on your payment.

### What do providers need to do?

Please review your Explanation of Payment and 835's for payments issued after on or after 03/01/23 to ensure these new PLB segment adjustment types process accurately within you or your clearinghouse systems.

As always, your partnership with Molina is highly valued, and we are committed to providing you with excellent customer service. If you have any questions or concerns, please contact your Molina Provider Services Manager at [MCCVA-Provider@molinahealthcare.com](mailto:MCCVA-Provider@molinahealthcare.com).

Sincerely,

Molina Healthcare of Virginia