THIS CA UPDATE HAS BEEN SENT TO THE FOLLOWING:

COUNTIES:

☒ Imperial
☒ Riverside/San Bernardino
☒ Los Angeles
☐ Orange
☒ Sacramento
☒ San Diego

LINES OF BUSINESS:

☒ Molina Medi-Cal Managed Care
☐ Molina Medicare
☐ Molina Marketplace (Covered CA)

PROVIDER TYPES:

☒ **Medical Group/ IPA/MSO**

Primary Care
☒ IPA/MSO
☒ Directs

Specialists
☒ Directs
☒ IPA

☒ **Hospitals**

Ancillary
☒ CBAS
☒ SNF/LTC
☐ DME
☒ Home Health
☐ Other

Treatment of Recoveries Made by the Managed Care Health Plan of Overpayments to Providers APL 23-011

This is an advisory notification to Molina Healthcare of California (MHC) network providers regarding federal and state legal requirements for MHC's recovery of all Overpayments to Providers.

This notification is based on All-Plan Letter (APL) 23-011, which can be found in full on the Department of Health Care Services (DHCS) website at: https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2023/APL23-011.pdf.

BACKGROUND

This APL provides additional guidance and clarification on (1) overpayment retention and reporting policies; (2) annual reporting requirements; and (3) MHC's duty to require reporting by Network Providers.

- An "overpayment" is any payment made to a Network Provider by a managed care health plan (MCP) to which the Network Provider is not entitled, under Title XIX of the Social Security Act.
- A "Network Provider" is any Provider, group of Providers, or entity that has a Network Provider agreement with an MCP, or a Subcontractor, and receives Medi-Cal funding directly or indirectly to order, refer, or render Covered Services as a result of the state's Contract with an MCP
- "Fraud" is an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to themselves or some other person. This includes any act that constitutes fraud under applicable federal or state law.
- "Waste" is the overutilization, underutilization, or misuse of resources, and typically is not a criminal or intentional act.
- "Abuse" is Provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not Medically Necessary or that fail to meet professionally recognized standards.

POLICY

This policy applies to all overpayments from MHC to a Network Provider, and recoveries of such overpayments, including but not limited to overpayments due to fraud, waste, or abuse, identified by MHC. Recoveries retained under False Claims Act cases, or through other investigations by DHCS, the California Department of Justice, the Centers for Medicare and Medicaid Services, or any other duly authorized law enforcement or investigatory agency, are not subject to this policy.

A) MCP Retention and Reporting of Provider Overpayments

MHC will create an internal retention and documentation process for recovery of all overpayments and review bi-annually for accuracy.

Recoveries less than $25 million

MHC can retain each overpayment recovery that is less than $25 million. MHC is required to report all overpayments in their annual report to DHCS, using the rate development template, including recoveries that are less than $25 million. However, MHC does not need to report overpayments that are less than $25 million within 60 calendar days of when the overpayment was identified, which is an MCP reporting requirement for overpayments that are equal to or more than $25 million.

Recoveries equal to or more than $25 million

MHC will split equally all overpayment recoveries of $25 million or more with DHCS. MHC will report an overpayment of $25 million or more to DHCS through their assigned Managed Care Operations Division (MCOD) Contract Manager (CM) within 60 calendar days of the date that the overpayment of $25 million or more was identified, and provide the following information:

1. The overpayment amount that was recovered;
2. The reason for the overpayment;
3. The service(s) the overpayment was related to, if applicable;
4. The Provider(s) information; and
5. The steps taken to correct and/or prevent future occurrences. DHCS will work directly with MHC to either recoup the overpayment from MHC's capitated payment (and reflect the overpayment in the statement issued to MHC) or require a check or wire from MHC.

Recoveries of any amount related to potential fraud

In the event MHC identifies or recovers an overpayment to a Provider due to potential fraud, MHC must notify its MCOD CM and the DHCS Audits and Investigations Intake Unit at: mpiu.cases@dhcs.ca.gov within 10 days of identifying the overpayment, regardless of the amount.

B) MCP Annual Reporting Requirements

MHC will report annually to DHCS using the rate development template on its recoveries of overpayments, regardless of amount or category. This includes overpayments made to a Network Provider that was otherwise excluded from participation in the Medicaid program, and those made to a Network Provider due to fraud, waste, or abuse. MHC will submit policies and procedures (P&Ps), including, but not limited to, any retention policies, process, timeframes, and documentation required for reporting the recovery of all overpayments, upon request by DHCS.

C) Provider Reporting Requirements to MHC

MHC will require, and have a mechanism for, Network Providers to report to MHC when they have received an overpayment, to return the overpayment to MHC within 60 calendar days after the date on which the overpayment was identified, and to notify MHC in writing of the reason for the overpayment.

What if you need assistance?

If you have any questions regarding the notification, please contact your Molina Provider Services Representative below:

Service County Area	Provider Services Representative	Contact Number	Email Address
California Hospital Systems	Deletha Foster	909-577-4351	Deletha.Foster@molinahealthcare.com
Los Angeles	Clemente Arias Christian Diaz	562-517-1014 562-549-3550	Clemente.Arias@molinahealthcare.com Christian.Diaz@molinahealthcare.com
Los Angeles / Orange County	Maria Guimoye	562-549-4390	Maria.Guimoye@molinahealthcare.com
Sacramento	Jennifer Rivera Carrasco	562-542-2250	Jennifer.RiveraCarrasco@molinahealthcare.com
San Bernardino	Luana McIver	909-501-3314	Luana.Mciver@molinahealthcare.com
San Bernardino / Riverside County	Vanessa Lomeli	909-577-4355	Vanessa.Lomeli2@molinahealthcare.com
Riverside County	Mimi Howard	562-549-3532	Smimi.Howard@molinahealthcare.com
San Diego / Imperial County	Briana Givens Carlos Liciaga Salvador Perez	562-549-4403 858-614-1591 562-549-3825	Briana.Givens@molinahealthcare.com Carlos.Liciaga@molinahealthcare.com Salvador.Perez@molinahealthcare.com

If you are not contracted with Molina and wish to opt out of the Just the Fax, email: mhcproviderjustthefax@molinahealthcare.com
Please include provider name, NPI, county, and fax number and you will be removed within 30 days.