Provider Memorandum

Payment Refund Reporting Enhancement

Molina Healthcare of Illinois (Molina) is sharing details about an enhancement to the reporting of refunds received as displayed on your Explanation of Payment (EOP) and 835 files.

What Is the Change?

When Molina transitioned to the new payment platform ECHO, you may have noticed that refunds received from you or a third-party payer are now being reflected on your 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 out the reversal, ensuring there is no recoupment.

Recent updates to the Explanation of Payments and 835 implemented **March 1, 2023**, have been made to make this clearer, as some systems reflected this amount from the 835 as a forwarding balance in error:

- 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 Provider Level Balance (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 835s for payments issued on or after March 1, 2023, to ensure these new PLB segment adjustment types process accurately within your system or your clearinghouse system.

Molina is here to support you as well. If you have questions for Molina about this transition, please contact us at (855) 866-5462.

Questions?

We're here to help. Contact your dedicated Provider Network Manager or email the Provider Network Management team at MHILProviderNetworkManagement@MolinaHealthcare.com. For help identifying your dedicated Provider Network Manager, visit Molina's Service Area page at MolinaHealthcare.com.

Provider Portal Alert

We are sunsetting the Molina Legacy Provider Portal this year. Ensure that you and your staff have access to streamlined claims management, authorizations, eligibility/benefit verification, and more. Get started with Availity Essentials Provider Portal today! Click here.

Get Critical Updates

Receive news and updates about Molina services and plan requirements delivered straight to your inbox! Click here to receive Molina's provider updates.

Note: Molina's website and documents are best viewed in Google Chrome or Microsoft Edge.