

MHIL Provider Memo

Molina Healthcare of Illinois | June 5, 2026

Understanding the Overpayment Process

Molina Healthcare of Illinois (Molina) is reminding providers about overpayments and refund requests for incorrect payments as outlined by state and federal agencies, including the Centers for Medicare & Medicaid Services (CMS).

What is an overpayment?

An overpayment is any amount paid by an MCO (such as Molina) to a provider that exceeds the allowable payment for services, or payments made on behalf of an ineligible person. Please refer to Title 42 CFR 433.304. These may occur due to billing errors, services not medically necessary, or beneficiary eligibility changes. Providers must report and return these funds within 60 days of identification to avoid False Claims Act penalties.

Steps to compliance

Molina requires network providers to notify Molina if they have received an overpayment and to return the overpayment to Molina within 60 calendar days after the date on which the overpayment was identified. The provider should also notify Molina in writing of the reason for the overpayment.

If, as a result of retroactive review of claim payment, Molina determines that we have made an overpayment to a provider for services rendered to a member, we will make a claim for the overpayment via an overpayment request letter. Providers can respond in one of three ways:

1. Submit a refund to satisfy overpayment.
2. Submit request to offset from future claim payments.
3. Dispute overpayment findings.

A copy of the overpayment request letter and details would also be available in the Availity Essentials Portal. In the Overpayment Application section, providers can make an inquiry, contest an overpayment with supporting documentation, resolve an overpayment, or check the status. **Note:** The portal is Molina's preferred method.

Instructions would be provided on the overpayment notice, and overpayments would be adjusted and reflected in your remittance advice. The letter time frames are Molina standards and may vary depending on applicable state guidelines and contractual terms.

Third-party liability

Overpayments related to Third-Party Liability Coordination of Benefits (TPL/COB) would contain primary insurer information necessary for rebilling, including the policy number, effective date, term date, and subscriber information. Molina will provide notice within 270 days from the claim's paid date if the primary insurer is a commercial plan. Molina will provide notice within 540 days from the claim's paid date if the primary insurer is a Medicare plan. A provider may resubmit the claim with an attached primary EOB after submission to the primary payer for payment. Molina will adjudicate the claim, and pay or deny it in accordance with claim processing guidelines.

Time frame

A provider should pay a claim for an overpayment that is not contested or disputed within the number of days specified in the refund request letter. If a provider does not repay or dispute the overpaid amount within the time frame allowed, Molina may offset the overpayment amount(s) against future payments made to the provider.

Payment of a claim for overpayment is considered made on the date payment was received by or electronically transferred to Molina, or the date that the provider receives a payment from Molina that reduces or deducts the overpayment.

Questions?

We're here to help! Contact your dedicated provider relations manager or email the Provider Relations team at MHILProviderNetworkManagement@MolinaHealthcare.com. To help identify your dedicated provider relations manager, visit [Molina's Service Area page](#).

Digital-only PA

[Availity Essentials](#) is the exclusive provider portal for Molina Healthcare—and the **only** way to submit authorization requests, with the exception of Pharmacy requests and delegated UM vendors. Clinical supporting documents **must** accompany **all** authorization requests. Log in today to access claims management, eligibility/benefit verification, Digital Correspondence Hub, and more.

Get critical updates

Receive news and updates about Molina services, plan requirements, and more delivered straight to your inbox! [Click here](#) to receive information curated exclusively for Molina's Illinois providers.