

Explanation of Payment Refund Reporting

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

What is the Change?

As part of the transition to the new payment platform, you may have noticed that refunds received from you or a third-party payer are now being reflected on your Explanation of Payment. This refund is reflected on the claim in the **Refund** column on a reversal claim. In addition, a remit message is 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 implemented 11/07/22 were made to make this clearer. The update reflects a Net Plan Payable amount on these reversal claims being the difference between the paid amount and the refund. This update was a display update. Prior payments related to refund postings were paying correctly and were not recouping from your payments.

Ongoing Development/Enhancements

Molina Healthcare is continuing to work with our vendor partners for additional enhancements and revisions to this process to make these transactions clearer for providers. These high-priority items we are reviewing are:

- Enhancements to the 835 files to better indicate the recording of a refund, such as a WO or 72 segment.
- Exploring options to exclude some refund types from EOP and 835 files such as refunds received directly from primary payers due to coordination of benefits (pay and chase) or subrogation settlements (auto-accidents, malpractice, etc.).

What do providers need to do?

Please review your Explanation of Payment and remit messages when a question arises about a refund posting resulting in a recoupment. The posting of a refund on a reversal should not result in recoupment on your payment and is functionally only a reporting process to indicate a refund has been received.

Molina is here to support you as well. If you have questions for Molina about this transition, please contact us at (855) 322-4080.