Alabama Medicaid Agency
HMS Long Term Care Overpayment Review
Reason Code Definitions

Overpayment Type

All overpayments are categorized into two types of overpayment findings. Overpayments related to the amount of the resident available monthly income applied to the claim are coded with an overpayment type of RI. Overpayments related to specific dates of service paid on a claim are coded with an overpayment type of CL.

When overpayments identified on the review are adjusted after the start of the review process, the overpayment type is changed to RE. This allows both HMS and the provider to easily identify findings that were overpayments at the start of the process but were subsequently adjusted prior to the completion of the review. This also ensures that duplicate recovery will not occur on the finding.

RI-Resident Income
CL-Claims
RE-Recouped during review process

Resident Available Monthly Income Definitions

Overpayments related to resident available monthly income (RI) occur for multiple reasons. HMS attempts to capture those reasons with the reason codes used below.

1- Used when the full amount of the resident income on the recipient file in the MMIS is not applied to the paid claim in the month. In these cases, resident income is applied to the claim but not the full amount as determined by the caseworker.

2- Used when there is resident income on the recipient file in MMIS but it is not applied to the claim in the month.

3- Identifies when the nursing home provider collects additional income from the Medicaid recipient, however, we are unable to determine the source of the additional income or it is from something other than social security or a pension.

4- Identifies when the nursing home provider collects additional income from the Medicaid recipient and the additional amount is related to an increase in the amount of social security the Medicaid recipient receives.

5- Identifies when the nursing home provider collects additional income from the Medicaid recipient and the additional amount is related to an increase in the amount of a pension payment the Medicaid recipient receives.

6- Used to identify overpayments made to the nursing by a Medicaid recipient who is now deceased. These typically occur when Medicare is paying as the primary payer for the Medicaid recipient. If the recipient pays his resident monthly income to the nursing home and there is no Medicaid claim to which the money should be applied, the payment would be identified as an estate recovery.

7- Used only when there is a credit balance related to resident income and the proper reason code cannot be identified.

8- This reason code is used when part or all of the resident monthly income is being deducted or diverted to pay an allowable medical expense such as an insurance premium or unpaid medical bill. This code is used when it is determined that the deduction is no longer valid due to either the insurance policy being termed or the medical bill paid off.

9- Reserved

Claims Overpayment Definitions

Claim overpayments are related to specific dates of service that are overpaid. Claim overpayments can occur for a number of reasons which are captured in the below reason codes.

1- This reason code is used when Medicaid pays a claim on and/or beyond the date a recipient discharged from a nursing home or if payment was made beyond the date of death of a recipient.

2- Used when the nursing home bills the Medicaid program for dates of service while the recipient is in the hospital.

3- Used when the nursing home provider bills the Medicaid program for therapeutic leave days that exceed the allowed number according to Medicaid policy.

4- Identifies dates of service paid by Medicaid when Medicare or a Medicare MCO also paid for the same recipient.

5- Identifies dates of service paid by Medicaid when a third party liability or hospice also paid.

6- Identifies duplicate payments made by the Medicaid program.

7- Used only when there is a Medicaid credit balance that does not fall into the other reason codes. This reason code is typically adjusted at some point during the audit to the appropriate code while working with the provider.

8- This reason code is used when the nursing facility receives large payments from the Medicaid recipient that could cover the room and board for the recipient. This scenario typically occurs when a recipient enters a nursing home and is spending down his assets in order to become Medicaid eligible.

9- This reason code is used to identify coinsurance payments made by the Medicaid program that were not made in accordance with policy.