



## OPERATIONAL MEMO

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<b>TITLE:</b>	<b>MANAGED CARE ENTITY NOTIFICATION POLICY REVISION</b>
<b>SUPERSEDES NUMBER:</b>	<b>PI-01</b>
<b>EFFECTIVE DATE:</b>	<b>AUGUST 5, 2019</b>
<b>DIVISION AND OFFICE:</b>	<b>AUDITS &amp; COMPLIANCE, FINANCE</b>
<b>PROGRAM AREA:</b>	<b>PROGRAM INTEGRITY</b>
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<b>OPERATIONAL MEMO NUMBER: HCPF OM 19-040</b>	
<b>ISSUE DATE: AUGUST 5, 2019</b>	
<b>APPROVED BY: DONNA KELLOW</b>	

*HCPF Memo Series can be accessed online: <https://www.colorado.gov/hcpf/memo-series>*

### **Purpose and Audience:**

This policy revises Policy Transmittal PI – 01, specifically concerning requirements of reporting changes in provider circumstances.

### **Background:**

The 2016 Medicaid Managed Care Final Rule (42 C.F.R. §§ 438.608(2) - (4), (7)) requires that certain notification be made by the Managed Care Entities (MCE) to the Department of Health Care Policy and Financing (Department). As a result, all Medicaid and Child Health Plan Plus (CHP+) MCEs must comply with the following requirements:

### **Information:**

#### Overpayments

The MCE must submit a written report when an overpayment due to fraud, waste or abuse has been identified within five (5) business days. This report must be made to the Department's program contract manager, and must include the provider's name and

identification number, the issue that resulted in an overpayment, the date range of the claims involved and the estimated dollar amount at issue.

Identification of an overpayment may occur when one of the following actions has taken place:

- The MCE notifies a provider in writing of an overpayment due to fraud, waste or abuse.
- The provider notifies the MCE that it has received an overpayment due to fraud, waste or abuse.

The MCE must report monthly when an overpayment due to fraud, waste or abuse has been recovered. This report is due by the tenth (10th) day of each month for the previous month. The report must include the name and identification number of the provider, how the overpayment was identified, the issue that resulted in an overpayment, the date range of the claims involved, the estimated dollar amount at issue, the total amount recovered, and the date of recovery, as indicated in the "Fraud, Waste and Abuse Overpayment Recoveries Notification" tab of the Monthly Notification Template.

Recovery of an overpayment may occur when one of the following actions has taken place:

- The MCE receives full payment from the provider.
- All claims associated with the overpayment have been reversed in the system.
- An accounts receivable has been set up in the claims processing system and the MCE has recovered the full amount owed.
- An offset has been set up in the claims processing system and the MCE has recovered the full amount owed.

### Change in Member Circumstances

The MCE must report within five (5) business days of becoming aware of a change in a member's circumstances that may affect the member's eligibility in the Colorado Medical Assistance Program. This report must be made to the Department's program contract manager, and must include the member's name, Medicaid ID, date of change, and a description of the change.

A change in a member's circumstance may include but may not be limited to:

- A change in address.
- The death of the member.

### Change in Provider Circumstances

The MCE must report within five (5) business days of becoming aware of a change in a provider's circumstance that may be for cause. A change in a provider's circumstances that may be for cause include:

- A provider is convicted of a crime that could affect eligibility.
- Exclusion of a provider by the OIG.
- Revocation of a provider's Medicare enrollment or billing privileges.

The MCE must report within thirty (30) calendar days after becoming aware of a provider who is no longer in the MCE's network but was not removed for cause. This may include, but is not limited to the following circumstances:

- A provider voluntarily withdrawing from the MCE's network.
- The death of a provider.

Reporting is due by the tenth (10th) day of each month for the previous month. The report must contain the provider's name and identification number, change in circumstance, a description of any action taken, and the date of that action, as indicated in the "Change in Provider Circumstances Monthly Notification" tab of the Monthly Notification Template.

The MCE must report at least thirty (30) calendar days prior to provider termination for all general terminations and within two (2) business days of the decision to terminate a provider for quality or performance issues terminations. This report must be made to the Department's program contract manager, and must include the provider's name and identification number, date of removal, a description of the reason, the number of members served by the provider and the plan to ensure that members receive continuous services.

If you have questions regarding this policy transmittal, please contact Prismar Perez in the Program Integrity and Contract Oversight Section at 303-866-4134 or [prismar.perez@state.co.us](mailto:prismar.perez@state.co.us).

Sincerely,

Bart Armstrong  
Manager, Program Integrity and Contract Oversight Section

**Attachment(s):**

Monthly Notification Template

**Department Contact:**

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