

PROVIDER ALERT

Management of Negative Balances Moving Forward

April 13, 2022

Target Audience: All Behavioral Health Providers

Notification:

Optum Maryland is presently reconciling and recouping negative balances in providers' State accounts. Most of these balances originated during the initial retro-eligibility process implementation. Once recoupment of State account negative balances is complete, a similar process will occur for those limited number of providers with negative balances in their Medicaid accounts, and information on that process is forthcoming.

Starting April 24, 2022, once a provider's negative balance in a specific account (State or Medicaid) has been reduced to zero (either through payments by the provider or by claims reduction) for a specific site ID, Optum MD will activate the auto-recovery function **related to that account**. **Auto-recovery** will recover any future negative balances in that account as they arise by reducing incoming claims rather than by allowing balances to build up.

Providers should be aware that:

- Going forward, new negative balances could be created in either the Medicaid or State accounts as ongoing eligibility changes cause movement from one funding source to another.
- Once the auto-recovery process is turned on for a provider-site ID, auto-recovery will occur on applicable claims until the negative balance is satisfied.
- This is a standard practice in claim processing that will help prevent the generation of large, negative balances in the future.

Please note: A separate negative balance is recorded under each bank account, both Medicaid and State, so it is possible that the auto-recovery function may be activated in one account and initially not in the other. Additional information regarding Medicaid account balances will be forthcoming.

The State negative balance amount was communicated to providers in the [Notice of Recoupment of Retro-Eligibility and Overpayments](#) letter. As part of the routine claim processing cycle, it is still possible for new negative balances to occur in a provider's State account once this amount is satisfied (whether by recouping on claims payments or by sending payment to Optum MD).

Background:

In October 2021, Optum released a Provider Remittance Advice (PRA) for all claims being held due to negative balance. The auto-recovery function was made inactive at that time to allow providers time to review their negative balance activity reported on the PRA beginning in late 2021.

If you have questions about the information contained in this alert, please contact customer services at 1-800-888-1965.

Thank you,

Optum Maryland Team