

PROCEDURE # 9.15b	EFFECTIVE DATE	REVISED DATE
TITLE: OVERPAYMENT AND SANCTIONS	5/31/25	
<u>ATTACHMENT TO</u>	REVIEW DATES	
POLICY #: 9.15		
POLICY TITLE: FRAUD, WASTE AND ABUSE INVESTIGATION		
CHAPTER: COMPLIANCE		

I. PURPOSE

To ensure LRE's full cooperate in any investigation or prosecution by any duly authorized government agency, including but not limited to MDHHS-OIG or the Department of the Attorney General (AG), whether administrative, civil, or criminal. Such cooperation shall include providing upon request information, access to records, and access to schedule interviews with LRE employees and consultants, including but not limited to those with expertise in the administration of the program and/or in medical or pharmaceutical questions or in any matter related to the investigation or prosecution.

The MDHHS Office of Inspector General (OIG) is responsible for overseeing the FWA program integrity activities of LRE. LRE shall follow the procedures and examples contained within processes and associated guidance provided by MDHHS-OIG.

II. PROCEDURES

OVERPAYMENTS: LRE must report overpayments due to fraud, waste, or abuse to MDHHS-OIG.

- A. LRE's contract with CMHSPs and Network Providers shall indicate that LRE maintains the right to recover overpayments directly from CMHSPs and/or Network Providers for the post payment evaluations initiated and performed by LRE.
 1. Per LRE's contract with CMHSPs, the Recovery of all Overpayments is the responsibility of the CMHSP. The Recovery of Overpayments must coincide with LRE's notification, via a LRE Referral Response report, to the appropriate CMHSP(s) of its findings, recommendations, and corrective action plans at the close of a Preliminary Investigation conducted by LRE or Full Investigation conducted by either LRE or OIG.
 2. Recovery of overpayments can occur through:
 - a. Repayment of funds overpaid,
 - b. Cost settlement,
 - c. Deductions from future payments.
- B. When LRE identifies an overpayment involving potential fraud prior to identification by MDHHS-OIG, LRE will refer the findings to MDHHS-OIG and await further instruction from MDHHS-OIG prior to recovering the overpayment.

- C. When LRE identifies an overpayment involving waste or abuse prior to identification by MDHHS-OIG, LRE must:
 - 1. adjust applicable encounters,
 - 2. recover the overpayment, and
 - 3. report the overpayment on its quarterly submission
- D. Per contract with LRE, when a CMHSP or Network Provider identifies an overpayment, it must:
 - 1. Notify LRE, in writing, of the reason for the overpayment and the date the overpayment was identified.
 - 2. Return the overpayment to LRE within 60 calendar days of the date the overpayment was identified.
- E. After all applicable appeal periods have been exhausted, LRE shall adjust all associated encounter claims identified as part of their Program Integrity activities within 45 days. Failure to comply may result in a gross adjustment for the determined overpayment amount to be taken from LRE.
 - 1. LRE shall resolve outstanding encounter corrections in the timeframe designated in any authorization granted by MDHHS-OIG.
 - 2. All adjustments shall be performed regardless of recovery from a CMHSP or Network Provider.
- F. When overpayment is identified/received by an agency outside of the LRE network (e.g., OIG, HHS-OIG, MFCU, etc.), LRE shall seek guidance from the MDHHS-OIG as to the proper disposition of overpayment LRE is in receipt of.
- G. LRE submits to the OIG quarterly reports detailing all program integrity compliance activities, including but not limited to all overpayments collected, using the OIG template.
 - 1. In the event that LRE completes a prepayment review of service documentation or any review requiring the CMHSP or Network Provider to submit documentation to support a claim prior to payment as a result of suspected fraud, waste, and/or abuse, LRE will notify MDHHS-OIG as part of its quarterly report.

SANCTIONS: When MDHHS-OIG sanctions (suspends and/or terminates from the Medicaid Program) a provider, including for a credible allegation of fraud under 42 CFR § 455.23, LRE must, at minimum, apply the same sanction to the provider upon receipt of written notification of the sanction from MDHHS-OIG. LRE may pursue additional measures/ remedies independent of the State. If MDHHS OIG lifts a sanction, LRE may elect to do the same.

III. CHANGE LOG

Date of Change	Description of Change	Responsible Party
5/31/25	NEW Procedure	