



July 2, 2020

To: John Muir Health Physician Network (JMHPN) Independent Contracted Physicians

Subject: Claim Payment Recovery Process Update

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Dear Physicians and Office Staff:

JMHPN is pleased to announce that we have made an enhancement to our claim payment recovery process, effective May 27, 2020.

Previously, when a claim was adjusted and money was owed to JMHPN due to an overpayment (examples: a corrected claim submittal, a duplicate payment, a payment for Non-Covered Services, coordination of benefits, if a member was determined to be not eligible at the time of services), JMHPN would have sent a letter requesting that a refund be made. This manual process was paper- and time-intensive for both parties.

With the new enhanced process, JMHPN is able to offset the recovery amount against future claim payments, which will help reduce cost and administrative burden for your practice.

Provider disputes and/or appeals can be submitted in writing up to 365 days from the date of JMHPN's last action on the claim.

Should you have questions or would like to see a paper Remittance Advice sample, please either contact JMHPN's Customer Service department at (925) 952-2887 or access the sample on the Physician Resource Center (PRC). If you need access to the PRC, email a request to [PPSBusinessServices@johnmuirhealth.com](mailto:PPSBusinessServices@johnmuirhealth.com) and include your name, title, practice name, email address, and phone number.

Thank you.

## **New Claim Payment Recovery Process (Automated Recoupment) – Sample Remittance Advices**

When a claim is adjusted and money is owed to JMHPN due to an overpayment, JMHPN is now able to automatically offset the recovery amount against future claim payments. This process is called Recoupment.

### **Two important things to know about Recoupments:**

1. When recouping, EPIC (the claims system) will first recoup the oldest amount due. This oldest negative balance is a claim that was paid and later adjusted so that the vendor owes JMHPN a balance. Basically, it's an overpayment.
2. Recoupment only occurs against negative balances on the same checking account. Example: if the check/EFT is for a Commercial Professional Risk claim but the vendor's negative balance is from the Hospital Risk checking account, the recoupment will not occur on the Commercial claim. Rather, it will only occur on any Hospital Risk claims.

### **How do Recoupments look on the paper Remittance Advice (RA)?**

Two sections on the paper RA pertain to Recoupments:

- **Vendor Transactions Summary**
  - Located on the second to last page
  - Shows balances to be recouped in future check-runs, prior negative balances, and recoupments against the current check
- **Outstanding Liability Report**
  - Located on the last page
  - Shows all negative balances, including ones against other checking accounts (JMHPN Hospital Risk or JMHPN Professional Risk), regardless of Line of Business (Commercial or Medicare Advantage)

### **Scenario 1 – New Negative Balances**

The weekly check-run pays claims that were recently adjudicated. In this particular scenario, 1 claim of 806.01 is payable by JMHPN, but there are also 2 adjusted claims that had originally been paid and were discovered to not be JMHPN's responsibility. During adjudication, these claims were adjusted (reversed) and there are negative balances for them (one is -1688.54 and the other is -1345.24).

Prior to the automated recoupment process, JMHPN would have sent a letter asking for a refund on these 2 claims.

Now, with the automated recoupment process, these 2 claims are identified and recouped partially on this check-run and the remainder is held for recoupment in future check-runs. The oldest claim is recouped first. It happens to be the claim with -1345.24 due to JMHPN.

It is applied against the 1 claim that is payable:  $-1345.24 + 806.01 = -539.22$ .

Future check-runs will recoup the 539.22 that was not able to be recouped on this check-run, as well as the 1688.54 due to JMHPN from the second claim adjustment. This information is summarized in the Vendor Transactions Summary.

**\*\* Note\*\*** on the Vendor Transactions Summary, recovery amounts without a negative sign are new and will be recouped in future check-runs. The listed date is when the transaction was created (the Sunday before the check-run).

REMITTANCE ADVICE							
Remittance Detail Report							
Vendor: ACME MEDICAL							
456 Street							
WALNUT CREEK, CA 94598							
VENDOR TRANSACTIONS SUMMARY							
-----							
Recovery - 05/31/2020:							1688.54
Recovery - 05/31/2020:							539.22
Total for payee ACME MEDICAL <xxxx> - [EFT # xxxxxx]							
	0.00	2289.67		0.00	0.00	0.00	0.00

**\*\*Note\*\*** on the Outstanding Liability Report, the amount to be recouped is shown as a negative balance. In this case, the report displays the first adjusted claim's remaining amount to be recouped (-539.22) and the other adjusted claim that is waiting to be recouped (-1688.54), plus their total (-2227.76).

REMITTANCE ADVICE							
Outstanding Liability Report							
Vendor: ACME MEDICAL							
456 Street							
WALNUT CREEK, CA 94598							
Vendor: ACME MEDICAL				Provider ID#:			
Vendor ID: xxxx				Provider Name:			
EFT #: xxxxxx		EFT Date: 06/03/2020		EFT Amount: \$0.00			
SERVICE DATE	PROCEDURE /DRG	DISCOUNT/ BILLED	DISALLOWED CODE	PATIENT PORTION	PP CODE	ADJUST REASON WITHHOLD	NET PAYMENT
=====							
No Claims for Vendor: ACME MEDICAL							
VENDOR TRANSACTIONS SUMMARY							
-----							
Recovery - 05/31/2020:							-1688.54
Recovery - 05/31/2020:							-539.22
Total for payee ACME MEDICAL <xxxx>							
							-2227.76

To see all the details, go to the Appendix for the full Remittance Advice for Scenario 1.

## Scenario 2 – Recoupment done against a previous negative balance

In this scenario, the vendor had an outstanding negative balance of -831.98 against this checking account prior to this check-run.

The original adjudicated claims for this check-run totaled to 597.14, and the vendor would have received a check for 597.14 if there were no outstanding balances to recoup.

The recoupment used the 597.14 payable against the negative balance of -813.98, resulting in 234.84 remaining to be recouped in a future check-run.

**\*\* Note\*\*** on the Vendor Transactions Summary, recovery amounts with a negative sign are from prior check-runs. Recovery amounts without a negative sign are new and will be recouped in future check-runs.

Remittance Detail Report							REMITTANCE ADVICE			
Vendor: GET WELL MEDICAL										
123 STREET										
WALNUT CREEK, CA 94598										
Vendor: GET WELL MEDICAL							Provider ID#:			
Vendor ID: XXX							Provider Name:			
Check #: XXXXX							Check Date: 06/22/2020			
							Check Amount: \$0.00			
SERVICE DATE	PROCEDURE /DRG	BILLED	DISCOUNT/ DISALLOWED	CODE	PATIENT PORTION	PP CODE	ADJUSTMENT	ADJUST REASON	WITHHOLD	NET PAYMENT
No Claims for Vendor: GET WELL MEDICAL										
VENDOR TRANSACTIONS SUMMARY										
-----										
Recovery - 06/14/2020:										-831.98
Recovery - 06/21/2020:										234.84
Total for payee GET WELL MEDICAL <XXXX>										-597.14

**\*\*Note\*\*** the Outstanding Liability Report shows all negative balance transactions for the vendor, regardless of checking account (JMH Hospital Risk or JMHPN Professional Risk) and Line of Business (Commercial or Medicare Advantage).

This vendor has the negative balance of -234.84 from the above transactions AND also two remaining negative balances from the other Line of Business and/or the other Risk checking account (the -29.68 and -56.12). The total Negative Balance amount for this Vendor is now -320.64 and future check-runs will recoup it.

REMITTANCE ADVICE									
Outstanding Liability Report									
Vendor: GET WELL MEDICAL									
123 STREET									
WALNUT CREEK, CA 94598									
Vendor: GET WELL MEDICAL					Provider ID#:				
Vendor ID: XXX					Provider Name:				
Check #: XXXXX		Check Date: 06/22/2020			Check Amount: \$0.00				
SERVICE DATE	PROCEDURE /DRG	BILLED	DISCOUNT/ DISALLOWED CODE	PATIENT PORTION	PP CODE	ADJUSTMENT	ADJUST REASON	WITHHOLD	NET PAYMENT
No Claims for Vendor: GET WELL MEDICAL									
VENDOR TRANSACTIONS SUMMARY									
-----									
Recovery - 05/31/2020:									-29.68
Recovery - 05/31/2020:									-56.12
Recovery - 06/21/2020:									-234.84
Total for payee GET WELL MEDICAL <xxxx>									-320.64



REMITTANCE ADVICE

Remittance Detail Report

Vendor: ACME MEDICAL  
 456 Street  
 WALNUT CREEK, CA 94598

Ins. Co. Name: JPN HUMANA [1640000006]    EFT #: xxxxx    Claim #: 1700097    (Adjusting: Claim #: 1000008, EFT #: xxxxxxxx)

Patient Name: GRAVELY, ILL JOE    Date of Birth: xx/xx/xxxx    Patient Acct#: xxxxxxxx  
 Member ID: XXXXXXXXXXXXX    Group: xxxxxxxxxxxxxxxx

SERVICE DATE	PROCEDURE /DRG	BILLED	DISCOUNT/ DISALLOWED	PATIENT CODE	PP PORTION	PP CODE	ADJUST ADJUSTMENT	ADJUST REASON	WITHHOLD	NET PAYMENT	PRIMARY INSURANCE	PRIMARY PAT PORT
07/23/2019	1BFKS	0.00	0.00	18,204,25-3,CD	0.00		0.00			0.00		
07/23/2019	1BFKS	0.00	1723.00	18,204,25-3,C	0.00	4	0.00		0.00	-1688.54		
Claim Totals:		0.00	1723.00		0.00		0.00		0.00	-1688.54	0.00	0.00

CLAIM EOB SUMMARY (\*\* CLAIM DENIED \*\*)

Claim Level Code: [18] 18-Duplicate claim/service.  
 Claim Level Code: [204] 204-Svc/equip/drug not cvd under plan.: Generated by adjudicator

Interest Amount: 0.00  
 Penalty Amount: 0.00

REMITTANCE ADVICE

Remittance Detail Report

Vendor: ACME MEDICAL  
 456 Street  
 WALNUT CREEK, CA 94598

Ins. Co. Name: JMPN UNITED HEALTHCARE MEDICARE [1640000016]      EFT #: xxxxxx      Claim #: 1400061      (Adjusting: Claim #: 1200073)

Patient Name: VERY, SICK GUY      Date of Birth: XX/XX/XXXX      Patient Acct#: XXXXXXXXX  
 Member ID: XXXXXXXXXX      Group: XXXXXXXXXXXXXXXXX

SERVICE DATE	PROCEDURE /DRG	BILLED	DISCOUNT/ DISALLOWED	CODE	PATIENT PORTION	PP CODE	ADJUSTMENT	ADJUST REASON	WITHHOLD	NET PAYMENT	PRIMARY INSURANCE	PRIMARY PAT PORT
10/09/2019	3AGKS	0.00	0.00	204,CD	0.00		0.00			0.00		
10/09/2019	3AGKS	0.00	1372.69	204,253,C	0.00	4	0.00		0.00	-1345.24		
Claim Totals:		0.00	1372.69		0.00		0.00		0.00	-1345.24	0.00	0.00

CLAIM EOB SUMMARY (\*\* CLAIM DENIED \*\*)

Claim Level Code: [204] 204-Svc/equip/drug not cvd under plan.: Generated by adjudicator

Interest Amount: 0.00

Penalty Amount: 0.00

Total for Adjusted Claims:

0.00    3095.69    0.00    0.00    0.00    -3033.78    0.00    0.00

Total for JMPN \*:

0.00    2289.67    0.00    0.00    0.00    -2227.76    0.00    0.00



REMITTANCE ADVICE

Remittance Detail Report

Vendor: ACME MEDICAL  
456 Street  
WALNUT CREEK, CA 94598

SERVICE DATE	PROCEDURE /DRG	BILLED	DISCOUNT/ DISALLOWED CODE	PATIENT PORTION	PP CODE	ADJUST REASON	NET PAYMENT	PRIMARY INSURANCE	PRIMARY PAT PORT
Total for Acme Medical Inc:									
		0.00	2289.67	0.00		0.00	0.00	-2227.76	0.00

REMITTANCE ADVICE

Remittance Detail Report

Vendor: ACME MEDICAL  
456 Street  
WALNUT CREEK, CA 94598

VENDOR TRANSACTIONS SUMMARY

Recovery - 05/31/2020:							1688.54		
Recovery - 05/31/2020:							539.22		
Total for payee ACME MEDICAL <xxxx> - [EFT # xxxxx]									
		0.00	2289.67	0.00		0.00	0.00	0.00	0.00

Total Interest Amount: 0.00

Total Penalty Amount: 0.00

CODES SUMMARY

EOB Code: [ 253] Sequestration - reduction in federal payment  
Reason Code: [ C] Contracted Rate Payment  
Reason Code: [ CD] Claim Denied  
Patient Portion Code: [ 4] No Patient Payment

