

Auto Recovery Payment Process for Dental Providers

Claim overpayment (negative balance) recoveries resulting from claim overpayment adjustments are recovered by the health plan through the **Auto-Recovery** process. The auto-recovery process identifies when there is an outstanding negative balance due to the Health Plan and automatically reduces the provider claim payment to close the receivable. The resultant claim payment is the net of all current claim funds due and the outstanding negative balance.

Claim Processes

1. **The provider submits the claim(s) for payment.** In the provider billing system, a patient account must be established that will initiate a claim bill to the Health Plan and will create a receivable for that patient.
2. **For original claim adjudication and processed payment**, when payment is received from the Health Plan, the provider updates his/her patient account with the payment details from the provider remittance. The claim payment is credited to the patient account. **Note:** The original claim is processed with a 12-digit alphanumeric number; the last two digits are 00.
3. **The claim adjustment processed by Health Plan.**
 - Note:** The claim adjustment process consists of **two** transactions
 - a. *The reversal (retraction) of the original claim payment under the 00 suffix.* The reversal is the exact same as the original claim payment with all negative adjudication values. The intent is to remove the original as if never processed.
 - b. *Processing the new claim adjudication results under the same claim number with a 01 suffix instead of the 00.* This allows the provider to identify and maintain the relationship of the newly adjudicated claim with the original claim.

Scenario 1: The claim adjustment results in additional payment to the provider: the provider applies the retraction transaction for 00 suffix claim to the patient account by reversing the original payment details from the patient account (This results in an open receivable item from the Health Plan).

Then, the provider applies the new claim adjudication for the 01 suffix claim to the patient account and closes the new receivable that was created with the reversal of the 00 transaction.

Since the payment resulted in a higher payment to the provider, the net of the 00 reversal and the 01 payment will be included in the payment to the provider.

Scenario 2: The claim adjustment results in an overpayment to the provider: the provider applies the retraction transaction for 00 suffix claim to the patient account by reversing the original payment details from the patient account (This results in an open receivable item from the Health Plan).

Then, the provider applies the new claim adjudication for the 01 suffix claim to the patient account and closes the new receivable that was created with the reversal of the 00 transaction in the patient account. If the 01 adjustment claim resulted in a lower

payment than the original 00 payment, an accounts payable to the health plan will be created. This is referred to as a negative balance by the Health Plan.

The net of the reversal of the 00 claim and the payment related to the 01 adjustment claim payment will result in monies due to health plan (credit in patient account). The amounts due to the Health Plan are recovered via the auto-recovery process.

Auto-Recovery Process

When the next claim payment/remittance is generated, all outstanding negative balances are deducted from the remittance total. The remittance amount will be for the net of the new 00 claims, less any adjustments included in the current remit and less any prior negative balances.

Provider Action:

1. Apply the retraction, 00 suffix claim, and the new claim payment, 01 suffix, to the patient account. The net will establish a payable to the health plan (credit balance).
2. Apply the monies auto-recovered to the patients' credit balance, zeroing out the patient account.
3. Apply all remaining claim payments to the appropriate patient accounts.
4. The net of the auto-recovery and payment applications balances to the cash deposit (835 BPR*02 segment).

If the net total of the claim payment/remittance that has been submitted results in a negative balance (amount due back to the Health Plan) and includes additional claim payments, those additional claim payments must be applied to your patient accounts as a paid claim. The outstanding monies due to the health plan will result in a carry forward negative balance and are recovered from the next claim payment due the provider.

Provider Action:

1. Apply the retraction, 00 suffix claim, and the new claim payment, 01 suffix, to the patient account. The net will establish a payable to the health plan (credit balance).
2. Apply the monies auto-recovered to the patients' credit balance leaving an outstanding credit balance in the patient account.
3. Apply all remaining claim payments to the appropriate patient accounts.
4. The net of the auto-recovery and payment applications results in a zero-pay remittance (835 BPR*02 segment = \$0.00).
5. Outstanding monies due the Health Plan will be recovered from future claim payments due the provider.

Note: Apply monies recovered against outstanding credit balance to the patient account. The patient account where the monies are to be applied are reflected in the PLB segment of the 835. The identifier in the PLB segment includes **Patient Account ID, which is the Health Plan Claim Number.**