



**EFFECTIVE DATE:** 01|01|2015  
**POLICY LAST UPDATED:** 05|19|2015

## OVERVIEW

This policy documents post-payment audit recovery and other adjustments due to under- or overpayments in non-federal products (Commercial) in accordance with RI General Laws (RIGL) § 27-19-56 and § 27-20-51 and applicable to healthcare providers. Effective January 1, 2015, “healthcare provider” means an individual clinician, either in practice independently or in a group, who provides healthcare services, and any healthcare facility, as defined in § 27-20-1 including any mental health and/or substance abuse treatment facility, physician, or other licensed practitioner identified to the review agent as having primary responsibility for the care, treatment, and services rendered to a patient.

This policy does not apply to BlueCHiP for Medicare, Federal Employees Program, or other federal programs. For these programs, post-payment recovery would follow the guidelines set forward by these agencies.

## MEDICAL CRITERIA

Not applicable

## PRIOR AUTHORIZATION

Not applicable

## POLICY STATEMENT

### Commercial Products

Contractual obligations regarding timely filing apply to requests for adjustments. Any request for an adjustment to a claim that is for the purpose of obtaining higher payment must occur within the contractual timely filing deadline that applied to the original filing.

Any request for recovery made by Blue Cross & Blue Shield of Rhode Island (BCBSRI) or any request related to underpayment received from a healthcare provider will be adjudicated in a manner consistent with RIGL § 27-19-56 and § 27-20-51 as detailed below for non-federal programs. BCBSRI may voluntarily, and at their sole discretion, correct underpayment outside of these time frames. Providers may voluntarily correct overpayment outside of these time frames.

These policies do not apply to fraud or intentional misrepresentation of services.

## COVERAGE

Benefits may vary between groups/contracts. Please refer to the appropriate Evidence or Coverage or Subscriber Agreement for applicable coverage/benefits.

Rhode Island-mandated benefits generally do not apply to BlueCHiP for Medicare. Self-funded groups may or may not choose to follow state mandate(s).

## BACKGROUND

### Blue Cross & Blue Shield of Rhode Island's Right to Recovery

**From Providers** (individual clinician, either in practice independently or in a group, who provides healthcare services, and otherwise referred to as a non-institutional provider):

Unless otherwise dictated resulting in a shorter time period, Blue Cross & Blue Shield of Rhode Island's right to recovery of payments shall be in accordance with RIGL § 27-19-56 (a) and § 27-20-51 (a). BCBSRI is both a Nonprofit Hospital Service Corporation and a Nonprofit Medical Service Corporation and therefore, both sections of the law are applicable.

*§ 27-19-56 Post-payment audits. – (a) Except as otherwise provided herein, any review, audit or investigation by a nonprofit hospital service corporation of a health care provider's claims which results in the recoupment or set-off of funds previously paid to the health care provider in respect to such claims shall be completed no later than eighteen (18) months after the completed claims were initially paid. This section shall not restrict any review, audit or investigation regarding claims that are submitted fraudulently, are subject to a pattern of inappropriate billing, are related to coordination of benefits, are duplicate claims, or are subject to any federal law or regulation that permits claims review beyond the period provided herein.*

*§ 27-20-51 Post-payment audits. – (a) Except as otherwise provided herein, any review, audit or investigation by a nonprofit medical service corporation of a health care provider's claims which results in the recoupment or set-off of funds previously paid to the health care provider in respect to such claims shall be completed no later than eighteen (18) months after the completed claims were initially paid. This section shall not restrict any review, audit or investigation regarding claims that are submitted fraudulently, are subject to a pattern of inappropriate billing, are related to coordination of benefits, are duplicate claims, or are subject to any federal law or regulation that permits claims review beyond the period provided herein.*

#### **From Institutions/Hospitals:**

Effective after January 1, 2015:

Any review or audit by Blue Cross & Blue Shield of Rhode Island of an institution or hospital which results in the recoupment of funds previously paid to the institution or hospital with respect to the institution's or hospital's claims shall be completed in accordance with the lesser of the time set forth in such provider's contract or the time frames in this statute.

### **Provider's Right to Recovery from Blue Cross & Blue Shield of Rhode Island:**

**From Providers** (individual clinician, either in practice independently or in a group, who provides healthcare services, and otherwise referred to as a non-institutional provider):

The provider's right to recovery shall be in accordance with RIGL § 27-19-56 (b) and § 27-20-51 (b):

*Post-payment audits. – (b) No health care provider shall seek reimbursement from a payer for underpayment of a claim later than eighteen (18) months from the date the first payment on the claim was made, except if the claim is the subject of an appeal properly submitted pursuant to the payer's claims appeal policies or the claim is subject to continual claims submission.*

No provider shall seek reimbursement from Blue Cross & Blue Shield of Rhode Island for underpayment of a claim later than the timeline set forth above, except if the claim is the subject of an appeal properly submitted pursuant to the Blue Cross & Blue Shield of Rhode Island's claims appeal policies. Appeal submittal must be within appeal time frames.

### **Institution's/Hospital's Right to Recovery from Blue Cross & Blue Shield of Rhode Island:**

Effective after January 1, 2015:

Any review or audit by an institution and/or hospital which results in the request for a higher payment of funds previously paid to the institution or hospital shall be completed in accordance with the lesser of the time set forth in such provider's contract or the time frames in this statute.

No institution or hospital shall seek reimbursement from Blue Cross & Blue Shield of Rhode Island for underpayment of a claim later than the timeline set forth above, except if the claim is the subject of an appeal properly submitted pursuant to the Blue Cross & Blue Shield of Rhode Island's claims appeal policies.

***This policy shall not restrict any review, audit or investigation regarding claims that are suspected as being submitted fraudulently.***

**§ 27-20-51 (d) and § 27-19-56 (d):**

*Except for those contracts where the health insurer or plan has the right to unilaterally amend the terms of the contract, the parties shall be able to negotiate contract terms which allow for different time frames than is prescribed herein.*

**Terms:**

- **Recovery/Recoupment:** A demand for repayment based upon the findings of an audit, review or investigation
- **Underpayment reimbursement request:** A request for reimbursement of an improperly paid claim.
- **Adjustment:** A correction of an incorrectly filed claim.

**The above policy has the following limitations:**

- Timely filing requirements are not affected. The above policy and statute refer to time frames after the initial payment. Clean claims requirement also are unaffected.
- Adjustment request time frames are not affected. An adjustment request is distinct from a request related to believed underpayment and must be made within the timely filing limitations.
- Underpayment reimbursement requests must be received (18) months of the date first payment was made.

**CODING**

None

**RELATED POLICIES**

None

**PUBLISHED**

Provider Update, July 2015  
Provider Update, August, 2014  
Provider Update, September 2013  
Provider Update, July 2012  
Provider Update, May 2011  
Provider Update, February 2011  
Provider Update, May 2010  
Provider Update, December 2009

**REFERENCES**

1. Rhode Island General Law, § 27-19-56 Post-payment audits:  
<http://webserver.rilin.state.ri.us/Statutes/TITLE27/27-19/27-19-56-1.HTM>
2. Rhode Island General Law, § 27-20-51 Post-payment audits:

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