

201 South Grand Avenue East
Springfield, Illinois 62763-0002

Telephone: 877-782-5565
TTY: 1-800-526-5812

Informational Notice

DATE: December 18, 2009

TO: Participating Hospitals: Chief Executive Officers, Chief Financial Officers, and Patient Accounts Managers

RE: Hospital Credit Balances

The Illinois Department of Healthcare and Family Services is issuing this notice to ensure hospital providers are monitoring credit balances and submitting adjustments or payments to HFS related to these credit balances.

Under federal regulations, the Medicaid agency (HFS) must take all reasonable measures to ensure that it is the payer of last resort. As part of the "Agreement for Participation in the Illinois Medical Assistance Program" upon enrollment in the Illinois Medical Assistance Program, the provider agrees to promptly notify the department of any overpayments of which the provider becomes aware. **The provider is responsible for identifying and repaying monies owed to the Department.** The department may suspend a provider's payments, if the provider does not maintain accurate accounting for these payments.

To ensure that the department properly and timely recovers improper payments or excess payments related to patient credit balance, the department recommends that all providers implement a credit balance report with the following data elements to monitor quarterly (March 31, June 30, September 30, and December 31):

Recipient Name (Last Name, First Name)
Recipient Identification Number (RIN)
Dates of Service (From [Beginning date of service] & To [Ending date of Service])
Voucher Number
Document Control Number
Amount of Credit Balance (Overpayment)
Amount Repaid
Method of Payment (Check or recovery from future payments)
Reason for Credit Balance

Additional data elements may be added to this list to enable each provider to manage credit balances on a claim-by-claim basis.

This report will strengthen internal controls related to credit balances and provide a mechanism for monitoring these credit balances. The department recommends that this information be maintained by the provider and made available for review and audit.

E-mail: hfs.webmaster@illinois.gov

Internet: <http://www.hfs.illinois.gov>

If a patient has a credit balance at the end of a quarter, the provider must do one of the following:

- Submit [HFS 2249](#) adjustment forms that identify each specific service being adjusted, and request that the amount be credited against future billings; or
- Submit HFS 2249 adjustment forms that identify each specific service being adjusted, and submit a check, made payable to the Illinois Department of Healthcare and Family Services, in the amount of the total overpayment; or
- Submit a check, made payable to the Illinois Department of Healthcare and Family Services, in the amount of the total overpayment, with supporting documentation of the specific claim(s) being adjusted. The department will initiate the adjustment.

All forms referenced are available on the department's Web site at:

<http://www.hfs.illinois.gov/medicalforms/>

Credit balances as a result of Third Party payers, i.e., health insurance, Medicare, Personal Injury, Workers Compensation, or private pay, should be submitted to:

Bureau of Collections
Third Party Liability
P.O. Box 19140
Springfield, IL 62794-9995

Credit balances as a result of any other reason, i.e., incorrect billing, duplicate payment, void for re-bill, etc., should be submitted to:

Bureau of Comprehensive Health Services
Hospital Adjustment Unit
P.O. Box 19128
Springfield, IL 62793-9128

Implementation of these recommended actions will help ensure that both HFS and hospital providers are in compliance with federal regulations related to credit balances.

Your continued cooperation and assistance is appreciated. Any questions may be directed to the Bureau of Comprehensive Health Services toll-free at 1-877-782-5565.

/s/

Theresa Eagleson, Administrator
Division of Medical Programs