



Iowa Department of Human Services

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Governor

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Director

INFORMATIONAL LETTER NO.1160

DATE: September 26, 2012

TO: All Iowa Medicaid Providers, Excluding Individual Consumer Directed Attendant Care (CDAC)

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Electronic Adjustments and Recoupments

EFFECTIVE: Immediately

Effective immediately, the IME is able to fully process Adjustment and Recoupment requests that are submitted electronically (via HIPAA 837 transaction).

For Direct Medicaid Submissions

When submitting an **adjustment** (this is a request for Medicaid to make a change to a previously paid claim), providers must enter the REF01 value "**F8**" in the 2300 REF segment with the Payer Claim Internal Control Number, which is the 17 digit Medicaid TCN number of the claim that needs adjusted. The frequency code of "**7**" must be entered in the 2300 Loop CLM Segment. *It is important to include all charges that need to be processed, not just the line that needs to be corrected; if previously paid lines are **not** submitted on the adjustment request, they will be recouped from the original request but not repaid on the adjustment, likely resulting in an unintentional credit balance.*

When submitting a **recoupment** (this is a request for Medicaid to take back the entire, original claim payment), providers must enter the REF01 value "**F8**" in the 2300 REF segment with the Payer Claim Internal Control Number, which is the 17 digit Medicaid TCN number of the claim that needs to be recouped. The frequency code of "**8**" must be entered in the 2300 Loop CLM Segment.

For Medicare Crossover Claims

When Medicare processes adjustment requests from providers, the **adjustment** from the Coordination of Benefits Contractor (COBC) will *now* be accepted by the IME and processed accordingly just as the *original claim submissions* to Medicare have been forwarded in the past. Providers will no longer need to submit the adjustments on the paper adjustment/recoupment forms if the original claim was received from the COBC and settled by Medicaid and the related adjustment is sent by Medicare through the COBC.

Denied claims must be resubmitted in the normal claim submission process. Denied claims cannot be adjusted or recouped.

Providers may still continue to use the paper Adjustment and Recoupment Request forms, 470-0040 and 470-4987 found at <http://www.ime.state.ia.us/Providers/Forms.html> if needed.

If you have questions, please contact the IME Provider Services Unit at 1-800-338-7909 or 515-256-4609 (local) or email at imeproviderservices@dhs.state.ia.us.