
Rules of
Department of Mental Health
Division 25–Fiscal Management
Chapter 4–Vendor Procedures

Title	Page
9 CSR 25-4.040 Recovery of Overpayments to Providers	3

**Title 9—DEPARTMENT OF
MENTAL HEALTH
Division 25—Fiscal Management
Chapter 4—Vendor Procedures**

9 CSR 25-4.040 Recovery of Overpayments to Providers

PURPOSE: This rule prescribes requirements for the collection of overpayments made by the department to providers and for the assessment of interest charges on overpayments.

(1) Providers that deliver care, treatment, habilitation or rehabilitation services to clients under contract with the department may receive an overpayment which must be repaid to the department. An overpayment is any payment by the department which is:

(A) Greater than the contracted rate for a service less any portion paid by or on behalf of a client;

(B) For services not provided;

(C) For services not authorized in the contract; or

(D) For services provided contrary to the provisions of the contract.

(2) On determination an overpayment has been made, the department shall notify the provider by certified mail of the amount of the overpayment, the basis of the overpayment and request reimbursement. The date on the certified mail return receipt shall be the official date of notice of overpayment.

(3) If the provider concurs with the overpayment, the provider should promptly contact the department and make arrangements for repayment to avoid interest charges. Any overpayment not repaid within forty-five (45) days from the date of notice shall accrue interest charges on the unpaid balance from the date of notice of overpayment.

(4) If the provider does not concur with the overpayment, the provider may request a review of the overpayment by the department. This request must be made within thirty (30) days of receipt of the notice of overpayment. The department shall review the overpayment within fifteen (15) days of the request for review. If requested by the provider, the review will be conducted in person and the department will notify the provider of the date, time and place for the review. The criteria for the review shall be to:

(A) Verify the overpayment was properly determined in accordance with the terms of the provider contract;

(B) Verify the overpayment amount has been properly calculated;

(C) Examine and accept additional documentation or other material from the provider; and

(D) Upon completion of the review, the department shall notify the provider of the results of the review in writing.

(5) After any review, if requested, and the overpayment amount has been finally determined, the department shall initiate appropriate collection actions.

(A) If any portion of the overpayment consists of Medicaid claims payments, these claims shall be subject to recovery provisions of the Medicaid program and shall be referred to the Department of Social Services, Division of Medical Services.

(B) If any portion of the overpayment is due and payable to the Department of Mental Health, such amounts shall be collected in accordance with the following provisions.

(6) Whether or not the provider requests a review, the department and the provider have forty-five (45) days from the date of notice of overpayment to negotiate a repayment plan. A repayment plan may allow for payments over a specific time period and shall not exceed twelve (12) months. The repayment plan must be in writing and be signed by the department and the provider. If a repayment plan is not adopted, the overpayment is immediately due and payable.

(7) The department shall specify the method of repayment which may include direct payment by the provider, deduction from future amounts due to the provider, or both. The department shall maintain a record of each overpayment in an account showing the amount due, payments received and interest charged.

(8) An overpayment account shall be considered to be delinquent if:

(A) The account is not subject to a repayment plan and it is not repaid within forty-five (45) days from the date of notice of overpayment; or

(B) The account is subject to a repayment plan and an installment payment is not received within thirty (30) days of the installment due date.

(9) The department may take appropriate actions to recover delinquent amounts due to the department, which may include:

(A) Sending notices to the provider requesting immediate payment;

(B) Deducting the overpayment from amounts due to the provider by the department; and

(C) Filing a claim for debt offset with the Director of Revenue to recover the overpayment from any refunds due to the provider by the Department of Revenue.

(10) An overpayment account shall be considered to be in default if:

(A) The account is not subject to a repayment plan and is not fully repaid within six (6) months from the date of notice of the overpayments; or

(B) The account is subject to a repayment plan and is delinquent for more than three (3) months in installment payments.

(11) The department may take appropriate actions to seek recovery of overpayment accounts which are in default. These actions may include:

(A) Deducting the overpayment from amounts due to the provider by the department;

(B) Filing a claim for debt offset with the Director of Revenue to recover the overpayment from any refunds due to the provider by the Department of Revenue; and

(C) Certifying the overpayment to general counsel or the Office of the Attorney General to seek a judgment for settlement of the amount due.

(12) Interest shall be charged on any overpayment balance not repaid within forty-five (45) days of the date of notice of overpayment. Interest shall accrue from the date of notice of overpayment and be calculated on a daily basis. The interest rate to be charged on overpayments may vary and will be set for each calendar year. The rate of interest shall be the annual rate determined by the Department of Revenue, as provided in section 32.085, RSMo, plus three (3) percentage points. Payments received by the department shall first be applied to accrued interest and then to reduce the balance of the overpayment.

AUTHORITY: section 630.050, RSMo Supp. 1999. Emergency rule filed Aug. 3, 1984, effective Aug. 13, 1984, expired Dec. 10, 1984. Original rule filed Sept. 10, 1984, effective Dec. 13, 1984. Amended: Filed July 17, 1995, effective Feb. 25, 1996. Amended: Filed Feb. 15, 2000, effective Aug. 30, 2000.*

**Original authority: 630.050, RSMo 1980, amended 1993, 1995.*