



Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203

AGENCY LETTER

AGENCY LETTER NUMBER: HCPF 18 – 009

DATE: 4/10/18

DIVISION OR OFFICE: FINANCE OFFICE, AUDITS AND COMPLIANCE DIVISION

SUBJECT AREA: MEMBER INTEGRITY

SUBJECT: CODING INTENTIONAL PROGRAM VIOLATION OVERPAYMENTS

TYPE: P-PROCEDURAL

APPROVED BY: JOHN BARTHOLOMEW

*HCPF Agency Letters can be accessed online: www.colorado.gov/hcpf
>> Partners & Researchers >>County and Medical Assistance Site >>Agency Letters*

Purpose:

The purpose of this agency letter is to notify County staff of the standard process for coding intentional program violation recoveries and terminations.

Background:

Pursuant to rule 8.065.1, an “overpayment” includes any medical assistance payments, including capitation payments, paid on behalf of a recipient who was not lawfully entitled to receive the benefits for which the payments were made. The rule further states that the County Department of Social Services shall recover all overpayments except that no recovery shall be made where the overpayment occurred through no fault of the recipient.

There has been confusion as to how to code these overpayments/recoveries and terminations in the Colorado Benefits Management System (CBMS) after a fraud investigation has been completed. Some County Departments have been under the impression that without a conviction, we cannot code a recovery/termination as client intentional program violation.



Following an eligibility fraud investigation, the County will begin the steps of entering any overpayment into CBMS. There are two codes to use for member/client overpayment claims- IPV (Intentional Program Violation) and Client Error. This letter attempts to provide guidance concerning the process.

Information:

It is the duty of the county department to take action against any person suspected of obtaining Medicaid/Health First Colorado benefits to which he is not entitled or in a greater amount than that to which he is entitled. After an investigation has occurred and it is determined that a Health First Colorado member/client is ineligible for benefits due to intentional deception or misrepresentation, the County Department will begin the process to establish overpayments for the period of ineligibility and determine current eligibility status. The term "member" and "client" will both be used in this document as "client" is the **terminology** used in CBMS and "member" is the term preferred by the Department.

Client Error Claims

For cases where the investigation determined that the error was a mistake made by the member/client, a Client Error claim should be used. This determination will be made by the County through the investigation process.

Intentional Program Violation

If the County Department determines the member/client to be currently ineligible and only received assistance due to intentional deception or misrepresentation, the County Department's technicians/investigators may close the case due to ineligibility, and code any overpayments that stem from the intentional deception or misrepresentation as an intentional program violation in CBMS. Pursuant to Section 8.057 and 8.058, the County Department must send out a notice to the member/client alerting them of the opportunity to contest this eligibility determination through the established appeal process. At the hearing to contest the eligibility determination, the member/client would have the right to challenge the intentional program violation closure.

If County Department can substantiate their claim of intentional deception or misrepresentation and provide the member/client with an opportunity to contest the determination, that is sufficient for our technicians/investigators to terminate and create an intentional program violation overpayment. Although there is no Intentional Program Violation hearing process for Health First Colorado only cases, if an investigation determines that there was an intentional client deception or misrepresentation which caused a member/client to be ineligible, the intentional program violation code is appropriate. It is not necessary to obtain a conviction to use this code.



If a member/client is convicted of a felony or misdemeanor stemming from the intentional program violation, that otherwise qualified individual can have their assistance terminated for up to one year. This applies only if there has been a conviction. Without a conviction, no eligible individual can be denied benefits.

Additionally, if a case has been adjudicated through an Intentional Program Violation hearing, and the Health First Colorado case stems from the same set of facts, that is sufficient to code any related Health First Colorado recoveries or terminations as intentional program violation if the circumstances are the same.

In no circumstances should a recovery be made where the overpayment occurred through no fault of the recipient or applicant, such as Department error.

Effective Date:

4/10/18

Contact:

Jolene Guignet
Member Fraud Investigator
303.866.6948
jolene.guignet@state.co.us

Mark Magnuson
Member Fraud Investigator
303.866.3786
mark.magnuson@state.co.us

