



## OPERATIONAL MEMO

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<b>TITLE:</b>	<b>NURSING FACILITY AND INTERMEDIATE CARE FACILITY FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES POST PAYMENT REVIEWS</b>
<b>SUPERSEDES NUMBER:</b>	N/A
<b>EFFECTIVE DATE:</b>	<b>JANUARY 1, 2020</b>
<b>DIVISION AND OFFICE:</b>	<b>OFFICE OF COMMUNITY LIVING, OPERATIONS AND ADMINISTRATION DIVISION</b>
<b>PROGRAM AREA:</b>	<b>LONG TERM CARE</b>
<b>KEY WORDS:</b>	<b>NURSING FACILITY, NF, INTERMEDIATE CARE FACILITY FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES, ICF-IID, POST PAYMENT REVIEW, REVIEW, AUDIT, PROVIDER, CSR 25.5-4-301</b>
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<b>APPROVED BY: DANIEL KRUG</b>	

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### **Purpose and Audience:**

The purpose of this Operational Memo is to inform long-term care providers, specifically Nursing Facilities (NF) and Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID), of operational instructions to satisfy the Department's statutory requirements to perform post payment reviews for paid claims.

### **Background:**

Colorado Revised Statue (CRS) 25.5-4-301 provides the Department with guidance on post-payment reviews for NF and ICF-IID providers. The Department rules in 10 CCR 2505-10, Section 8.400-8.482 further specify provider and Department responsibilities involving Medicaid reimbursements for services. Since 2004, the Office of Community Living (OCL) has been performing post payment reviews for NFs.

To ensure the Department satisfies the regulation requirements, OCL has expanded the scope of the review to ensure compliance with Department Rules by NFs and ICF-IIDs.

CRS 25.5-4-301.2 authorizes the Department to recover overpayments, add a Civil Money Penalty equal to one-half the amount of the overpayment, and add interest on the sum of the two amounts accruing at the statutory rate from the date the overpayment is identified. In addition, the Department may withhold subsequent payments to which the provider is or becomes entitled and apply the amount withheld as an offset.

CRS 25.5-4-301.3 defines the review procedures the Department follows to determine whether an overpayment has been made to the provider. Prior to requesting documentation from the provider, the Department will collect data and other documentation from its various sources. If the data needed for the review is unavailable from other resources, the provider will be contacted about the upcoming review and will have forty-five days to gather the documentation. The provider will have informal reconsideration and appeal rights per Department rule 10 CCR 2505-10, Section 8.050 for these reviews.

**Information/Procedure:**

NF and ICF-IID administrators will receive an Inquiry letter from OCL regarding an upcoming post payment review. The administrator must reply by the deadline specified with their choice of a 100% or sample review and onsite or desk review. If the administrator misses the deadline, the facility will receive a sample desk review. If the results of the sample review are unsatisfactory, the administrator or the Department may change the review to 100%. If the Department was able to collect review data and documentation from other sources, the administrators will not receive this initial letter and a desk review will be performed.

The NF and ICF-IID administrators will then receive a Notification and Request for Documentation letter from OCL. All requested documents shall be submitted via encrypted email to the assigned OCL reviewer or be ready for onsite inspection before the specified date.

The NF or ICF-IID administrator shall provide a point of contact to the OCL reviewer to assist with the review. OCL will generate various communications throughout the review with instructions and deadlines. The point of contact should notify the OCL reviewer in writing if a deadline will not be met and why. An extension may or may not be granted by the OCL reviewer.

The review results may require payment to the Department. A final review letter with instructions will be sent to the facility. If no informal reconsideration and/or appeal are filed by the specified deadlines, the OCL reviewer will recoup the amount due the

Department from future provider payments as indicated on the final letter or informal reconsideration response letter.

**Attachment(s):**

None

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