

Medicare Paid in Error Quick Reference Guide

Overview

This reference guide walks through different claim processing scenarios that a provider will see if **Medica** should have been the primary payer, but **Medicare** was billed as primary in error.

Note: This process applies to providers that are contracted with the Medica Prime Solution® product only. Out-of-network providers should bill Medicare as primary for all services. To determine if you are a contracted provider, **select the correct plan and search the network on [medica.com](https://www.medica.com)**.

Scenario 1

Medica determines the payment error on the front end (before the claim is processed):

Medica receives a report on all Medicare claims that come in with a Medicare Explanation of Medicare Benefits (EOMB), to be manually reviewed by our claim processors. This is how paid-in-error claims will be identified.

If Medicare paid less than or equal to what Medica would have paid as primary payer:

- Medica will subtract the Medicare payment from the contracted rate with Medica and pay the difference to equal what would have been paid if the provider had billed Medica directly (as primary payer).
 - Claim Denial Code: 879 – Payment reduced by Medicare Payment, CO 022 (This care may be covered by another payer per coordination of benefits.)
 - Claim Denial Code: 880 – Medicare payment equals Medica payment (zero payment, since payment is the same), CO 022 (This care may be covered by another payer per coordination of benefits.)

If Medicare paid more than what Medica would have paid as primary, Medica follows the back-end process (below).

Scenario 2

Medica determines the payment error on the back end (after claim is processed), and Medicare paid more than or equal to what Medica would have paid as primary:

- Medica will pay the claim as primary payer.
- Provider will see an up adjustment (increased payment), which is a historical adjustment. This means it doesn't actually increase overall payment, but might look like we paid twice initially.
- Payment is then taken back (recouped) on a future Provider Remittance Advice (PRA).
- Provider is sent a letter with the PRA that an overpayment was made and went through the forward balance process:
 - Claim Denial Code: 031- HCPP Duplicate Payment, OA 018 (Exact duplicate claim/service — if Medicare paid more than Medica

What if Medicare took their payment back?

The contracted provider can send a **Medica Claim Adjustment/Appeal Form** along with the Medicare EOB showing a recoupment was made by Medicare, and Medica will adjust the claim accordingly.

Note: Do not proactively send a refund to Medicare when you realize you billed them in error.

Provider options when an overpayment is identified:

- Send an appeal.
- Send in a refund.
- Do nothing, as the claim will be recouped after a 30-day recovery period.

Additional Questions?

Contact the Provider Service Center (PSC) at 1 (800) 458-5512. If you are unable to figure out a forward balance scenario, or would like a duplicate copy of the refund request letter, the PSC representative can send a request to the claim processors for this information.