



Provider Relations Outreach Specialist

Subject: PCMH PBPM Recovery **Sept. 22, 2016**

The current process regarding recovery of PBPM is outlined in the PCMH manual section 223.000:

After each quarter, DMS may pay, recover or offset the care coordination payments to ensure that a PCMH did not receive a care coordination payment for any beneficiary who died, lost eligibility or if the practice lost eligibility during the quarter.

PBPMs are paid prospectively at the beginning of each quarter six months later (two quarters). HPE reviews eligibility of those beneficiaries. If the beneficiary is found to be ineligible on the first day of a month in which the practice received PBPM payment, we recover funds paid for that month. We do not recover funds for the entire quarter, but only for the months that the beneficiary is found to be ineligible for Medicaid.

A major drop in Medicaid eligibility (specifically in categories ARKids A and ARKids B) took place on Feb. 28, 2016. The segments for those beneficiaries were not closed until after PCMH pulled point in time for Q2 2016; therefore, practices did not “see” the drop in attribution when Q1 and Q2 payments and reports were created and delivered. The concern behind keeping the same logic for reconciling PBPM funds is that, if we proceed, we would be recovering PBPMs for beneficiaries who are eligible but waiting to be re-enrolled in Medicaid.

PCMH reevaluated our approach to reconciliation and has developed an alternative plan. We would like to hold Q3/Q4 reconciliation and conduct a special run of eligibility in Q2 2017. The idea is that, by Q2 2017, the backlog of beneficiaries waiting for re-enrollment should be caught up, and we would have a more accurate recovery for those who have lost eligibility in Q1 2016 and Q2 2016.

Though it is important to keep in mind that we cannot assume all beneficiaries will regain eligibility, some recovery of PBPM will take place. On average, after reconciliation, we recover roughly 3.8 percent of PBPMs that are paid prospectively at the beginning of each quarter. In Q2 2017, practices would see a larger than usual recovery of PBPMs because it would include reconciliation recovery of PBPMs paid in Q1 2016, Q2 2016 and Q4 2016.



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PBPM Paid	PBPM Reconciliation (Current)	Alternative Plan for Reconciliation
Q1 2016	Q3 2016	Hold until Q2 2017
Q2 2016	Q4 2016	Hold until Q2 2017
Q3 2016	Q1 2017	Proceed as normal
Q4 2016	Q2 2017	Reconcile Q1, Q2, Q4 2016

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