**Policy Clarification**

**Medicaid – All**

**PMA-19561-910**

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| **Submitted: 7/31/2019** | **Agency: CAOs**  |
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| **Subject: Medical Assistance (MA) Overpayment Start Date****Question: When does an MA overpayment begin if an individual does not report a change, or the change is not reported timely?** |

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| **Response by: Division of Health Services** | **Date:**  |

OPS 15-03-01, Health Care Program Overpayment Referrals, states: “If an individual did not report a change timely, the overpayment begins the first month in which the individual(s) no longer qualify for health care benefits and/or Buy-In.”

The overpayment begin date is determined by when the individual was required to report the change. The County Assistance Office (CAO) must establish at which point the individual no longer qualified for MA and consider timeframes for reporting requirements and the individual’s right to an advanced notice for adverse action.

Per MAEH 370.1, all changes that impact eligibility must be reported by the tenth day of the month following the change. The CAO then has 10 days to conduct a case review (MAEH 370.5). MA budgets that are closing are given a 15-day advance notice (MAEH 377.3). The overpayment begins the month following the actual budget closure date, in which the individual would have zero days of MA eligibility.

Example: CAO discovers in December that an individual began employment and received income in April which exceeded MA limits. They were required to report this information by May 10. The CAO had 10 days to act upon the information (May 20), and the budget would have closed 15 days after the record was updated (June 4). Since MA coverage extends through the end of the month in which the budget is closed, the first month of ineligibility and overpayment start date is July.