

# **FAMILY SUPPORT & CHILD WELFARE SERVICES ADMINISTRATIVE LETTER NO. 07-03**

**DATE: DECEMBER 19, 2003**

## **SUBJECT: NEW PROCEDURES FOR CHANGES TO CLAIM AMOUNTS AND BALANCES IN EPICS**

**DISTRIBUTION: COUNTY DIRECTORS OF SOCIAL SERVICES**

**INCOME MAINTENANCE SUPERVISORS**

**INCOME MAINTENANCE CASEWORKERS**

**PROGRAM INTEGRITY SUPERVISORS**

**PROGRAM INTEGRITY INVESTIGATORS**

### **I. Background**

The purpose of this letter is to explain the new procedures for revising claims in EPICS in the following situations: (1) when the overpayment amount must be changed in EPICS, (2) when a current balance must be adjusted, and (3) when a claim must be closed in EPICS. The new process will improve the efficiency of the system and the integrity of the data in EPICS.

### **II. EPICS PROCESS FOR CHANGING AN OVERPAYMENT AMOUNT**

The overpayment amount must be corrected in EPICS when an error is discovered in the calculation or keying of the overpayment amount. Prior to this change, EPICS required two transactions in order to change the overpayment amount: (1) entry of the correct amount in the Overpayment Amount field on the Claim Detail screen, and (2) entry of an AJCD or AJCI transaction on the Payment screen for the amount of the decrease or increase.

The new procedure will automatically synchronize the Overpayment Amount and Current Balance fields on the Claim Detail screen. The procedure is as follows:

A. When a claim is initially established and an amount is entered in the Overpayment Amount field of the Claim Detail screen, EPICS will automatically populate the Current Balance field with the same amount as the Overpayment Amount.

B. If the overpayment amount must be changed after the claim was initially established, enter the corrected or revised overpayment amount in the

Overpayment Amount field on the Claim Detail screen and press F9 to update. EPICS will automatically increase or decrease the amount in the Current Balance field by the same amount and create an appropriate AJCI or AJCD entry on the Payment History screens.

Example: On 10/01/ 2003, a claim was showing an overpayment amount of \$300.00 and a current balance of \$75.00. Through supervisory review, it was discovered that the correct amount of the overpayment/overissuance is \$400.00. This is an increase of \$100.00. Worker enters \$400.00 in the Overpayment Amount field of the Claim Detail screen. EPICS will increase the current balance to \$175.00 and create an entry on the Payment History screens of \$100.00 with payment type of "AJCI."

Example: On 10/01/2003, a claim was showing an overpayment amount of \$500.00 and a current balance of \$400.00. Through supervisory review, it was discovered that the correct amount of the overpayment/overissuance is \$300.00. This is a decrease of \$200.00. Worker enters \$300.00 in the Overpayment Amount field of the Claim Detail screen. EPICS will decrease the current balance to \$200.00 and create an entry on the Payment History screens of \$200.00 with payment type of "AJCD."

C. The Overpayment Amount cannot be decreased to zero. If \$0.00 is keyed in the Overpayment Amount field on the CLAIM DETAIL screen, EPICS will display an error message of, "OVERPAYMENT AMOUNT MUST BE GREATER THAN \$0.00."

D. If payments or adjustments have been posted and the difference between the existing current balance and the initial overpayment is greater than the decrease to the overpayment amount, EPICS will not allow a change to the Overpayment Amount field. In such cases, the following error message will display: "OVERPAYMT AMT LESS THAN COLLECTIONS. PAYMT CORRECTIONS MAY BE NECESSARY."

1. If the correct Overpayment Amount has been over-collected, reverse out the total amount of all payment(s) that were collected in error.

**Note: EPICS will not allow payment corrections for AFDC claims outside of the current month.**

2. Payments collected via NC Debt Setoff and the Treasury Offset Program (TOP) cannot be reversed nor refunded by county staff.

a. If an AFDC/Work First claim has been over-collected through either of these methods, contact Family Support and Child Welfare Services staff at 919-733-4622 before taking further action.

b. If a Food Stamp claim has been over-collected through either of these methods, contact the Food Assistance and Energy Programs Branch at 919-733-7831 staff before taking further action.

c. If a Medicaid claim has been over-collected via NC Debt Setoff, contact Brenda Porter or Shara Britt at 919-733-3590.

3. After the over-collected payments have been reversed out, enter the correct Overpayment Amount on the Claim Detail screen.

4. Re-key the payments that were reversed and refund any over-collections using appropriate methods. Any resulting over-collection is reflected on the FRD104 Refund Report.

Example: On 10/01/2003, a claim was showing an overpayment amount of \$400.00 and a current balance of \$200.00. A cash payment of \$200.00 had been posted in EPICS in 09/2003. The correct amount of the overpayment/overissuance is actually \$150.00. This is a decrease of \$250.00. Since the decrease to the overpayment amount is more than the difference between the existing overpayment amount and the existing current balance, when the F9 key is pressed, the error message appears, **“OVERPAYMT AMT LESS THAN COLLECTIONS. PAYMT CORRECTIONS MAY BE NECESSARY.”**

Reverse out the entire \$200.00 payment by completing a payment correction. Then key the correct amount of \$150.00 in the Overpayment Amount field on the CLAIM DETAIL screen. This will correct the Current Balance to \$150.00. Then re-key the payment of \$200.00 that was reversed out. This will result in the claim being paid in full. Since the claim was over-collected, a refund of \$50.00 must be issued to the debtor.

### **III. PROCESS FOR ADJUSTMENTS TO CLAIM BALANCES**

In certain situations, adjustments may be necessary to reduce or increase the balance of claims without changing overpayment amounts. Only State staff will have authorization to make adjustments to claim balances in such situations. If a

county worker tries to use the AJCI or AJCD feature on the Payment Screen, the following error message will appear: **“Insufficient Authorization - Restricted to State PI staff only. Contact State PI.”**

A. A claim balance may require an adjustment: (1) when an incorrect entry was made to the balance prior to January 1, 2004, or (2) when an invalid claim cannot be deleted due to previous adjustments.

B. If an AFDC or Work First claim cannot be collected because the debtor cannot be located or because the debtor is deceased, the balance of the claim must be adjusted to zero.

1. Do not terminate the AFDC/Work First claim. Send a written request on county letterhead to the Family Support and Child Welfare Services section, 2408 Mail Service Center, 325 North Salisbury Street, Raleigh, NC 27699-2408. The request must include the Referral ID, the Casehead Name, the Program Case ID, the Overpayment Period, the current claim balance, and the reason the claim should be written off.

2. The Family Support and Child Welfare Services Section will forward these requests to the State Controller's Office or the Attorney General's office for approval to write off the claims. Upon approval, State DSS staff will adjust the claim balance to zero to close the claim.

C. If a Medicaid claim cannot be collected due to the death of the debtor and you cannot collect from the estate, the balance of the claim must be adjusted to zero.

1. Do not terminate the Medicaid claim. Document the date of death and the reason the claim cannot be collected in the ALLEGATIONS field of the Referral Detail 2 screen.

2. Send or fax a request on county letterhead to Brenda Porter or Shara Britt at (919) 715-7706 to close the claim. The request must include the Referral ID, the Casehead Name, the Program Case ID, and the reason the claim cannot be collected.

3. Mailed requests should be sent to DMA, Quality Assurance Section, MSC# 2501, Raleigh, NC 27699-2501. Upon approval of the request, State DMA PI staff will adjust the claim balance to zero to close the claim.

#### **IV. CLEANUP OF EXISTING CLAIMS**

On the night of December 31, 2003, EPICS will populate the current balance with the dollar amount in the OVERPAYMENT field for all existing active claims in EPICS with a zero balance on that date. Please review each of the claims listed on the FRD903 ZERO BAL 'CO' CLAIMS report dated December 29, 2003 in NCXPTR to determine if a correction is needed to any of the balances, or if the claim must be referred to State DMA or DSS staff for closure.

If you have any questions, please contact the appropriate Program Representative.

Gary Fuquay, Acting Director

Division of Medical Assistance

Pheon Beal, Director

Division of Social Services