

July 29, 2015

Craig Miskovich
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Howard Pallotta
General Counsel III
Department of Vermont Health Access
312 Hurricane Lane
Suite 201
Williston, VT 05495

Re: Brattleboro Retreat – Response to July 9, 2015 E-Mail

Dear Howard:

Thank you for giving my client, the Brattleboro Retreat, 20 days to respond to the questions posed in an email you sent to me on July 9, 2015 regarding notations made in the patient account ledgers of two Brattleboro Retreat patients. As described in greater detail below, the Brattleboro Retreat's review of these patient account ledgers has led to the discovery of an overpayment in A.D.'s account. The Brattleboro Retreat has issued the enclosed check in the amount of 1733.97 for that account.

For your convenience, I have typed your questions below, and provided the Brattleboro Retreat's answers in bold.

[REDACTED] (PATIENT "A.D.")

A. Mr. [REDACTED] was reported by Brattleboro Retreat to be discharged on November 15, 2008. You billed Medicaid for residential services for him until November 23, 2008. Can you explain why?

ANSWER:

No one in the patient accounts department has a distinct memory of this patient account; however, at that time, it was the practice of the Brattleboro Retreat to upload claims to the Vermont Medicaid system using Vermont Medicaid's proprietary software once a week. To do this, the billing coordinator would log into the system, look at the patients for whom claims had been submitted the previous week, and copy those claims, for patients who were still receiving treatment. This patient had been receiving treatment for 18 months, so the biller had submitted approximately 78 consecutive claims. The second to last claim should have been a claim for five days instead of seven. This was noticed, and adjusted in December of 2008 when Medicaid recouped \$1733.97 (shown as code 11) and repaid

\$1238.55 (shown as code 10). The final claim should not have been submitted. The Brattleboro Retreat believes that these bills were submitted by mistake.

B. The ledger sheet on August 14, 2008, shows a ledger entry of 11/10/08 with an avatar posting code of "21 Reversal of Discount from Insurance" for the amount of \$495.42. Can you provide an explanation for the reversal discount using code 21 instead of code 20 (discount from insurance)?

ANSWER:

To begin with, as a basic principle, every ledger action code must have a code that reverses it. For example, a code 10 indicates a payment, while a code 11 indicates a payment reversal or a recoupment. Code 20 and code 21 have a similar relationship. Code 20 indicates the difference between the Brattleboro Retreat's gross charge and the amount that any particular payer has agreed against that charge (a "discount" from insurance). Code 20 is used so that there does not appear to be a continuing amount due after the payer has paid its specified rate which is lower than the Brattleboro Retreat's gross charge. Code 21 indicates that a portion of that discount is reversed.

In the ledger entries for date of service 11/10/08, it appears that a discount in the amount of \$743.74 was posted (using code 20) on 11/13/08 to reflect that the Retreat expected a payment which was lower than the gross charge. Subsequently, on 11/26/08, the amount of \$743.13 was posted using code 10 to reflect a payment. Apparently, in August of 2011, a portion of the \$743.13 was identified as a credit balance on the account. The patient account representative assigned to research this account determined that \$495.42 should be adjusted using code 21.

In this instance, when the credit on the account was discovered, the patient account representative would have researched the payment history and the provider agreement to determine how best to account for the credit. A code 20 would not have been a proper way to account for the \$495.42, because code 20 accounts for debits to the account. Here, a credit in the amount of \$495.42 had been identified, and it needed either a code 21 to show that the payment was proper, or a code 11 to show that a recoupment was necessary.

As described below, there are times when a payer adjusts its rates, and the cash poster uses code 21s to reflect increased payments that result from rate adjustments. This patient's account does not show that use of code 21. In all instances, patient account representatives are responsible for determining whether a credit on the account represents an accurate payment or an overpayment. Here, upon examination, the Brattleboro Retreat has concluded that the patient account representative made an error.

C. The Follow Up Notes Report for Mr. D. shows allowance reversals of \$1733.97, \$495.42 and \$1238.55. Can you explain why you indicate on these reports that these were overpayments? And why the note advises to report these as an allowance reversal? Was the claim for these amounts adjusted or was the overpayment returned to Medicaid?

ANSWER:

The follow up notes request allowance reversals in two amounts, \$495.42 and \$1238.55 for a total of \$1733.97. As discussed above, part of this claim was adjusted--recouped and repaid, but an additional overpayment exists. Enclosed please find a check in the amount of \$1733.97.

D. Can you explain why the reversal was not accomplished until some three years later on August 10, 2011?

ANSWER:

No. We have inquired, but have not yet found anyone who can explain why there was a lapse in time.

Patient E.V.:

A. We understand that code 21 is reversal from discount. Can you please explain why \$111.23 was put in reversal from discount account for each day? What is this reimbursement for?

ANSWER:

This patient was at the Retreat from 10/16/09 through 12/11/09. On 12/25/09, Vermont Medicaid issued a remittance advice paying \$38,648.37. The cash poster divided that amount by 56 days, and applied \$690.15 to each day using code 10 to indicate a payment. (Because the division of the pennies does not come out quite evenly, she applied only \$690.12 to the first day). Using code 20, she adjusted the remaining amount as a "discount from insurance."

On May 27, 2010, the cash poster received a remittance advice recouping the entire payment. Rather than using a code 11 in every line of the account to reverse the payments, she simply used code 11 to reverse the entire payment, \$38,648.37 in the first line of the ledger.

On June 10, 2010, Medicaid repaid the claim at a higher rate, likely because of a rate adjustment that was retroactively effective. Thus, the cash poster received a remittance advice paying \$44,877.40. The cash poster thus, posted a new payment (using code 10) of \$38,648.37 in the first line to show that Medicaid had repaid what it recouped. This left the difference between the old rate, and the new rate, however. So the cash poster took the difference, \$6229.03, and divided it by the number of days of the patient's stay. The result is \$111.23. She applied this amount to each day of the patient's stay, using a code 21, because the rate adjustment did, in fact reduce the amount of the discount given to Medicaid.

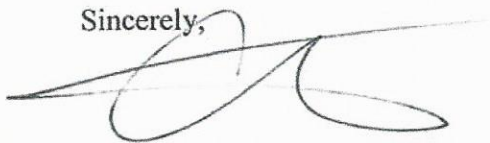
B. The Guarantor indicates that the payee is Medicaid of Vermont Managed. What branch of Medicaid is reimbursing the Brattleboro Retreat for this daily service?

ANSWER:

It is the Brattleboro Retreat's understanding that this branch of Vermont Medicaid is called "Managed Medicaid" or "Medicaid of Vermont." The Brattleboro Retreat used Medicaid Provider # 0474001 for patient E.V.

We hope that this information sufficiently answers your questions.

Sincerely,



Craig Miskovich

/jsk
Enclosure

BRATTLEBORO RETREAT

TD BANK
MEMBER FDIC
BRATTLEBORO, VERMONT 05301

100241

58-3/116

DATE
7/28/2015


AMOUNT
\$1,733.97

PAY One Thousand Seven Hundred Thirty Three Dollars And 97 Cents

TO THE
ORDER
OF

DEPT OF MENTAL HEALTH - VT
329 HARVEST LANE
SUITE 300
WILLISTON VT 05495

TWO AUTHORIZED SIGNATURES REQUIRED
ON AMOUNTS OVER \$5,000.00



MP

⑈ 100241 ⑈ ⑆ 016000331 ⑈ 90 ⑆ 1498 ⑈

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

BRATTLEBORO RETREAT

100241

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE				
D991	DEPT OF MENTAL HEALTH - VT	0124261	7/28/2015	100241			
OUR VOUCHER NUMBER	YOUR VOUCHER NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT	WRITE-OFF	NET
54148 EPS 7		7/28/2015	\$1,733.97	\$1,733.97	\$0.00		\$1,733.97
			\$1,733.97	\$1,733.97	\$0.00		\$1,733.97

COMMENT