



# Provider Newsflash



A fax bulletin for the Molina Healthcare of Washington Provider Network

## Explanation of Payment Refund Reporting Enhancement in ECHO

(Medicaid, Medicare, Marketplace)

Molina Healthcare, Inc. would like to provide some additional details regarding an enhancement to the reporting of refunds received that are being displayed on your Explanation of Payment and 835 files within ECHO.

### What is the change?

When Molina transitioned to its new payment platform, you may have noticed that refunds received from yourself, or a third-party payer are being reflected on your Explanation of Payment (EOP) and 835. This refund is reflected in the **Refund** column on a reversal claim on the EOP. In addition, a remit message was included indicating receipt of a refund.

If the refund received was a partial refund, a balancing adjustment claim ending in 'A' is created to balance to the reversal, ensuring there is no recoupment.

Recent updates to the Explanation of Payments and 835 implemented 03/01/23 have been made, as some systems reflected the amount from the 835 as a forwarding balance in error. The updates are:

- Addition of Adjustment types "Overpayment Recovery" and "Provider Return/Refund credit" in the Payment Adjustments section of the EOP. These net adjustments will reflect the application of all refunds on the payment separately from any forwarding balances/recoupments.
- Changes to the PLB segment on the 835.
  - Items labeled as Provider Return/Refund credit will be reflected on your 835 as adjustment code type 72.
  - Items labeled as Overpayment Recovery will be reflected on your 835 as adjustment code type WO.
  - This is our method of recording refunds received and will result in a net total of \$0.00 on your payment.

### What do providers need to do?

Please review your Explanation of Payment and 835's for payments issued on or after 03/01/23 to ensure the new PLB segment adjustment types process accurately within your or your clearinghouse systems.

If you have questions for Molina about this transition, please contact us at Molina Provider Contact Center (855) 322-4082.

**Thank you for serving Molina members.**