

| | | |
|------------------|---|--------------------|
| 2.21 | Future Payment Withholding | Page 1 of 2 |
| Issue date: 4/13 | Revision Date: | Division Staff |
| Form(s): | Authority: U.C.A. 62A-5-103; DHS Procurement Contract No. 90548; DHS Procurement Contract No. 90514. | |

I. Directive Purpose:

The purpose of this directive is to guide the Division of Services for People with Disabilities (Division) in implementing policies and procedures for future payment withholding. This directive is intended to improve efficiency in processing payment withholdings due to overpayments, repayments, and any other payment corrections or paybacks due to but not limited to, failure to comply with provisions of the contractor contract, failure to comply with state and federal law or policy leading to denials or disallowances from Medicaid, and to ensure that Federal Matching Funds are used according to direction from the Utah State Legislature.

II. Definitions:

- A. "Contractor" means any private or governmental entity that receives funds from the Department of Human Services or the Division for services provided to persons receiving services through the Division, and includes private or governmental entities which provide support coordinator services.
- B. "Contract" refers to the DHS Procurement Contract No. 90548 for provider contractors or 90514 for support coordination contractors, in which the Division and the respective contractor are named as parties.

III. Policy:

A. Provider Contractor Policy:

- 1. If the Division determines that a contractor has failed to comply with any provisions of the contract resulting in a payment correction or payback, or if the Division receives payment denials or disallowances from Medicaid due to the contractor's failure to comply with the contract, the Division shall:
 - a. Immediately send an email to the contractor. The email shall:
 - i. Notify the contractor of the issue leading to a potential payment correction or payback;
 - ii. Notify the contractor that it has 30 calendar days to work with the Division to resolve the issue, and that on the 30th calendar day from the date the initial email was sent, it will be sent a payment withholding letter.
 - b. If after 30 calendar days from the date of the initial email was sent, the contractor and the Division are unable to resolve the issue leading to the payment correction or payback, the Division shall send a payment withholding letter to the contractor, via Certified U.S. Mail, which is intended to also serve as the initial prior written notice to the contractor that a payment(s) will be withheld. The payment withholding letter shall:
 - i. Specify the reason for the payback and potential withholding, and indicate that such costs are immediately due and payable;
 - ii. Inform the contractor that it may submit any necessary corrections or adjustments to the Division within 14 calendar days from the date the payment withholding letter was sent;
 - iii. Inform the contractor that after the 14 calendar days have passed the Division will recoup the amount owed by withholding

- against future payments to the contractor, 15 calendar days from the date the payment withholding letter was sent;
- iv. Inform the contractor whether any amounts to be withheld may be released, and if so, what actions the contractor must take to release any of the amounts withheld.
2. If the Division determines that overpayments, disallowed expenditures, excess payments or questioned costs have resulted in a payment correction or payback, the Division shall immediately send an email to the contractor, containing the same information specified in paragraph 1a above, followed by a payment withholding letter if the conditions set forth in paragraph 1b so merit. The payment withholding letter shall contain the same information specified in paragraph 1b above.
- B. Support Coordination Contractor Policy:
1. If the Division determines that a contractor has failed to comply with provisions of the contract requiring timely review and approval of provider contractor bills and timely record-keeping practices or reporting, or other failures in compliance which result in a payment correction or payback, the Division shall:
 - a. Immediately send an email to the contractor. The email shall:
 - i. Notify the contractor of the issue leading to a potential payment withholding;
 - ii. Notify the contractor that a payment withholding letter has been send via Certified U.S. Mail; and
 - iii. Inform the contractor that it has thirty (30) days from the date it receives the payment withholding letter to remedy all issues and deficiencies or the Division will begin withholding part or all payments to the contractor, until the issue or deficiency is corrected.
 - b. Immediately send a payment withholding letter to the contractor via Certified U.S. Mail, which is intended to also serve as initial prior written notice that payments will be withheld after thirty (30) days. The payment withholding letter shall:
 - i. Specify the reasons for the potential withholding of payments;
 - ii. Specify the actions the contractor must take to bring about the release of the withheld payments; and
 - iii. Inform the contractor of its rights to appeal the withholding of a payment through the Department of Health or the Division of Health Care Financing.
- C. Reports:
1. All future payment withholdings will be noted on the Adjustment Section of the contractor's Payment Summary Report.