In order to comply with federal overpayment regulations (42 U.S.A. § 1396b(d)(2)(c); 42 C.F.R. 444.300) and federal third-party liability (TPL) regulations which stipulate Medicaid as the payer of last resort (42 U.S.C §1396A(a)(25) and 42 C.F.R §§433.138 and 433.139), the Kansas Department of Health and Environment, Division of Health Care Finance (KDHE-DHCF) began initiating credit balance audits for institutional hospital providers in January 2017. The purpose of these reviews is to determine the existence of any potential Kansas Medical Assistance Program (KMAP) or KanCare overpayments resulting from situations including, but not limited to, the following:

- Payments made beyond the date of discharge
- Duplicate Medicaid payments
- Coordination with Medicare or other third-party payers

These reviews include provider financial documentation but not medical records. The reviews are limited to all dates of service for the period from January 1, 2013, to December 31, 2015, and are being conducted by Health Management Systems (HMS). Selected facilities receive an introductory letter approximately two weeks prior to the audits. The letter will be addressed to the Patient Financial Services department. Instructions and contact information are included with the letter.

The next series of letters for upcoming audits will be mailed on May 22, 2017. KDHE-DHCF has given permission to complete Rounds 3-6. Letters for each round will be sent around the 20th of each month from May through August 2017.

Reference General Bulletin 16193 for initial information.