



DEPARTMENT OF SOCIAL SERVICES
DIVISION OF MEDICAL SERVICES
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April 20, 2009

Re: Refund Checks

Dear South Dakota Medical Assistance Provider:

The South Dakota Medical Assistance (SDMA) Professional and Institutional Billing Manuals (http://dss.sd.gov/medicalservices/providerinfo/billingmanuals.asp) regarding refund checks on overpaid medical claims have been changed effective immediately. The reasons for this change are to provide more accurate year-end expenditure data to our SDMA providers and maintain an accurate, ongoing paid claims history. Refund checks are not claim submissions and therefore cannot "correct" the original paid claim(s) currently maintained on paid claims history.

SDMA requires that any claims processed in the last fifteen (15) months that are subject to a refund must be resubmitted as adjustments or voids to correct the previously paid claim(s). Paper checks issued by the provider will no longer be accepted if they are within the fifteen (15) month timeframe.

The following are examples of overpaid claim types and what should be done with each:

- Overpayment of a claim with Private Health Insurance.....Submit Adjustment
Overpayment of a claim with a Medicare crossover.....Submit Adjustment
Billing errors on Provider's part.....Submit an Adjustment or Void
Payment errors on Medicaid or Medicare's part.....SDMA will notify provider and Adjust or Void

Except for some limited exceptions including reviews by the Surveillance Utilization and Review System (SURS), refund checks will be accepted only if the claim is over fifteen (15) months old and no longer in the system. When submitting a refund check, you must include the applicable Remittance Advice, Private Health Insurance (PHI) or Medicare Explanation of Benefits (EOB), a detailed explanation of the refund, and the signature and date of the person requesting the refund.

If you have any questions regarding these changes, please contact us in-state at 800-452-7691 or out-of-state at 605-945-5006, press 0 for operator assistance.

Thank you for your cooperation.

Sincerely,

Division of Medical Services