

Provider Bulletin

Molina Healthcare of Washington, Inc.

December 3, 2024

Molina Healthcare of Washington, Inc. Notice of Recovery for Critical Access Hospitals

UPDATED PAYMENT METHODOLOGY FOR CRITICAL ACCESS HOSPITALS FOR SERVICES BILLED WITH BILATERAL MODIFIER

Based on findings from an internal audit of paid claims to Critical Access Hospitals (CAH) for service lines containing the bilateral modifier 50, Molina has identified systemic overpayments that necessitate updating our claim system logic and recovering overpaid claims.

Issue: Molina's system logic inflates the allowable amount of any lines billed with modifier 50 by 150% per standard payment methodology for bilateral procedures. However, it also appears the hospitals, who are paid a percentage of billed charges, are also increasing their billed charges for these lines by 150% or more. This is resulting in the bilateral services being double-inflated, resulting in these claim lines paying well over 150% of the hospital's contracted rate.

Changes to process: Molina has updated our system logic to only pay 100% of the hospital's contract rate for service lines billed with modifier 50, *effective immediately*. To receive higher reimbursement for the bilateral procedure, the hospital should continue to inflate their standard billed charges by 150%.

Recoveries: Molina must recover any identified overpayments due to this issue. Recovery notices will be sent by our Payment Integrity team and appeals must be received within 45 days of the date of the recovery notice to avoid future claim offsets.

If you have any questions regarding this notification, please contact your organization's Provider Relations Representative using our FAQ and Contact list on our website under Contact Us.