

Tools for overpayment recovery & claims appeals

Addressing claims payment issues can be complicated, but ensuring proper processing and payment of health care claims is vital to the financial health of a practice. The AMA offers resources to help physicians secure correct claims payment from health plans, navigate the overpayment recovery process and appeal incorrect payments.

Overpayment recovery toolkit

Attempting to determine the validity of alleged overpayments can divert significant time from direct patient care, resulting in lost practice revenue. Overpayment demands may be made in very general terms and can be intimidating. However, it is critical for practices to effectively and efficiently address overpayment recovery requests.

To help physicians understand health insurer overpayment recovery requests, the AMA created the Overpayment Recovery Toolkit (PDF).

Designed to help physicians understand the basics of the overpayment recovery request process, this resource, "Recognizing and interpreting overpayment recovery requests" (PDF), details the reasons that practices may receive overpayment recovery requests, the content of those requests and important information on what to look for in these notifications.

This resource, "Addressing and resolving overpayment recovery requests" (PDF), provides guidance to practices on how to investigate and take action when receiving an overpayment recovery request.

Additionally, the AMA offers a template, "Sample claim overpayment appeal letter" (DOCX), for practices to utilize.

To help physicians save time and money, this resource, "Automating the overpayment recovery process" (PDF), explains how practices can automate the overpayment recovery process through use of standard electronic transactions mandated by the Health Insurance Portability and Accountability Act (HIPAA).

Additional information on how to effectively address overpayment recovery requests, "Get overpayments off your back with practice automation" (webinar).

This resource, "Knowing your overpayment recovery rights " (PDF), offers information on the

responsibilities of health plans and the rights of physicians provided by many states laws and regulations. It is intended to ensure that physicians understand their rights in the overpayment recovery request process.

Appealing claims payment issues

Physicians generally collect the majority of their revenue from health insurers. To maximize revenue and maintain financial viability, practices need to ensure that health insurers are properly adjudicating their claims and should be prepared to address/appeal any improper health insurer payment adjustments. To help physicians understand and enact efficient appeals processes, the AMA has created the following informational resource and sample appeal letters "Identifying and appealing health insurance claim payment issues" (PDF).

Sample appeals letters

AMA members can download these sample letters and customize them in their practices.

- | Authorization and eligibility - Letter confirming eligibility (DOC, members only)
- | Prior authorization not disclosed (DOC, members only)
- | Referral absent letter (DOC, members only)

Contractual obligation

- | Claims underpayment letter (DOC, members only)
- | Letter to health insurer regarding late payment of claims in violation of practice's contract (DOC, members only)
- | PPO discount taken when a contract does not exist (DOC, members only)

Medical necessity

- | Medical necessity denial letter (DOC, members only)

Payer-applied edits

- | Lack of recognition of CPT Modifier 25 letter (DOC, members only)
- | Lack of recognition of CPT Modifier 59 letter (DOC, members only)
- | Inappropriate E/M downcoding letter (DOC, members only)
- | Insurers not accepting new CPT code sets appeal letter (DOC, members only)

Prompt payment

- | Letter to health insurer regarding late payment (DOC, members only)
- | Letter to patient's employer or health plan sponsor regarding late payment (DOC, members only)
- | Letter to health insurer regarding late payment of claims in violation of practice's contract (DOC, members only)
- | Letter to insurance commissioner regarding late payment of claims in violation of prompt payment laws (DOC, members only)

LinkedIn group

The AMA Administrative Simplification LinkedIn Group is designed to provide updates and encourage dialogue on administrative issues affecting physician practices, including automation using electronic standards and operating rules, prior authorization standardization and reform, and regulatory developments. Physicians, practice staff and other interested stakeholders are encouraged to join.