



<Mail Date>

<Provider Name>

<Provider Address>

<Provider Address>

**RE: Notice of Adverse Determination**

Dear <Provider Name>:

In compliance with federal law (42 U.S.C. §1396a(a)(42)(B)) and pursuant to Texas Government Code Section 544.0504, the Texas Health and Human Services Commission (HHSC) has contracted Health Management Systems, Inc. (HMS) to conduct Medicaid recovery audit services on behalf of the State of Texas. HHSC has authorized HMS to review provider payments, associated medical records, and other supporting documentation to identify and recover any overpayments made to a provider.

HMS has completed a review of selected claims to determine if services for which the provider received payment were provided consistently with Texas Medicaid policy and were properly reimbursed.

**HMS has determined that the provider has received an estimated overpayment in the amount of <\$ Overpayment amount> .** Enclosed are review detail reports which detail the specific overpayment for each claim as well as the basis for the adverse determination. In accordance with the Texas Medicaid Provider Agreement, the provider is responsible for the findings that resulted from this review.

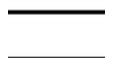
**This letter constitutes an adverse determination for purposes of Title 1 Texas Administrative Code §354.1451(f).** The provider has the following options:

1. If the provider agrees with the adverse determination, no further action is required with HMS. Affected claims will be adjusted and overpayments will automatically be recouped. If the provider is still actively billing the Medicaid Program for fee-for-service claims, any recoupment will be reflected on future R & S statements. Any portion of the overpayment amount that cannot be automatically recouped from claim payments will be subject to collection action.
2. If the provider disagrees with the adverse determination, **the provider may submit a Rebuttal with the Recovery Audit Contractor (HMS).**

The Rebuttal must be submitted in writing. HMS must receive the Rebuttal within 30 calendar days of the date of this letter and include: (a) a written explanation specifying the reason/request for appealing this determination, (b) any supporting documentation for the request, and (c) copies of the correspondence letters between the provider and HMS, including a copy of this letter.

The basis of the Rebuttal should not rely solely on the provider's interpretation of MCG or InterQual guidelines. Rather, providers should cite documentation contained in the medical record and explain how it supports medical necessity and complies with Texas Medicaid policy. A simple restating of the clinical facts of the case does not explain why this HMS Adverse Determination decision is incorrect.

Revised 08/2022



Details in the medical record that clearly support the provider's statements should be cited. Providers should identify specific clinical documentation that clearly supports medical necessity for initial inpatient admission, ongoing hospital stay, procedures performed and level of care. The physician's documentation of patient condition and medical decision making is particularly important. The location of this documentation (page numbers) within medical records previously submitted should be indicated. If the provider is paid on a TEFRA basis, Appeal Request letters must explain how the medical record supports medical necessity for each day billed on the claim.

**NOTE: Do NOT resubmit medical records to HMS because the medical records previously submitted were certified as complete and that no other records exist.** HMS will review the Rebuttal and notify the provider of the outcome.

Rebuttals may be submitted via the HMS Portal, mail, or fax:

Provider Portal: <https://hmsportal.hms.com> (Log in or Register)

Mail:

HMS  
Mail Stop #200-TX  
5615 High Point Dr.  
Irving, TX 75038

Fax:

855-278-3502  
(maximum one record at a time)

Only one of these methods may be used for Rebuttal submission. For example, if a Rebuttal is uploaded via the portal, additional material may not be sent by mail. HMS does not accept appeals by any other methods of submission, including SFTP or email.

If the Rebuttal is submitted via the HMS Portal, all the documents **MUST** be uploaded as **one** PDF file.

Rebuttals may not be submitted prior to the date of this letter.

**If HMS does not receive a Rebuttal within 30 calendar days of the date of this letter, the initial decision by HMS will be considered final, and the provider may not file an appeal request with HHSC Medical and UR Appeals.**

Providers are responsible for notifying subcontractors or other third parties that may be affected by this adverse determination. HMS does not notify billing companies or other third parties of this adverse determination.

Frequently asked questions and answers about the rebuttal process may be found at:

<https://resources.hms.com/state/texas/rac>.

If there are any questions about the information in this letter, please contact HMS Provider Services at (877) 401-3635.

Enclosures

Revised 08/2022