

## Network Provider Update

To: Medi-Cal network participants

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From: Manuel T.G. Enriquez  
Senior Director, Provider Network Management

Subject: **All Plan Letter 23-011: Treatment of Recoveries Made by the Managed Care Health Plan of Overpayments to Providers**

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The Department of Health Care Services (DHCS) recently issued [All Plan Letter \(APL\) 23-011](#), "Treatment of Recoveries Made by the Managed Care Health Plan of Overpayments to Providers." We are sharing a summary of this APL with you to ensure you are aware of the information, and you can apply the information to your practice or facility operations, where appropriate.

APL 23-011 discusses federal and state requirements for how managed care plans (MCPs) such as Blue Shield of California Promise Health Plan treat recovered funds that were overpaid to their providers.

**In compliance with this APL, Blue Shield Promise requires providers to report overpayments and return them to us within 60 calendar days of their identification.**

### APL summary

- The APL advises on how MCPs retain and document recovered overpayments to providers.
- An MCP can retain each overpayment recovery that is less than \$25 million.
- MCPs must split equally all overpayment recoveries of \$25 million or more with DHCS.
- In the case of potential fraud, the MCP must notify its Managed Care Operations Division Contract Manager and the DHCS Audits and Investigations Intake Unit within 10 days of identifying the overpayment, regardless of the amount.
- MCPs are expected to report to DHCS annually on recovered overpayments to providers.
- MCPs must have a process for providers to report and return overpaid funds.

This summary is only meant as a brief description of the APL. Please see the APL itself for additional information.

The full text of APL 23-011 may be found at this URL:

<https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPLsandPolicyLetters/APL2023/APL23-011.pdf>  
(Links to the DHCS.ca.gov website will take you off of the Blue Shield Promise website.)

If you have questions about how Blue Shield Promise manages overpayments, please contact Provider Services via Live Chat after logging in at [blueshieldca.com/provider](https://blueshieldca.com/provider) or call (800) 468-9935 from 6 a.m. to 6:30 p.m., Monday through Friday.