



Date: April 10, 2023

DMS Operations Memo 23-10

To: Income Maintenance Supervisors  
Income Maintenance Lead Workers  
Income Maintenance Staff

Affected Programs:	
<input checked="" type="checkbox"/> BadgerCare Plus	<input type="checkbox"/> Caretaker Supplement
<input type="checkbox"/> FoodShare	<input type="checkbox"/> FoodShare Employment and Training
<input checked="" type="checkbox"/> Medicaid	
<input type="checkbox"/> SeniorCare	

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Division of Medicaid Services

**Health Care Overpayment Changes**

**CROSS REFERENCE**

Medicaid Eligibility Handbook, [22.2 Overpayments](#) and [23.2.3 Continued Benefits](#)  
BadgerCare Plus Handbook, [28.2 Recoverable Overpayments](#) and [29.2.3 Continued Benefits](#)

**EFFECTIVE DATE**

April 1, 2023

**PURPOSE**

This memo is to announce a change in recoverable health care overpayment claims per recent CMS guidance.

**BACKGROUND**

A health care overpayment occurs when benefits are paid on behalf of an individual who was not eligible for them, or when a member should have paid a higher amount of premiums, patient liability, or other cost share. Current policy allows health care overpayments to be recovered if the individual received a benefit they weren't entitled to receive, more benefits than they were entitled to receive, or a lower premium, patient liability, or other cost share than they should have been charged because of incorrect or incomplete information at the time of the application, failing to report a required change, or fraud.

## **POLICY**

Effective April 1, 2023, as required by CMS, overpayment claims can no longer be created for any health care program regardless of the reason the overpayment occurred. Income maintenance agencies may continue to refer suspected fraudulent activity under s. 946.91 Wis. Stats. for investigation and prosecution to the Department of Health Services Office of the Inspector General, the district attorney, or corporation counsel following the existing processes in place. However, DHS and income maintenance agencies cannot recover or recoup the health care overpayment from the individual regardless of the outcome of the fraud investigation through the overpayments process.

Note: This policy change does not affect repayments that are part of the Estate Recovery Program or provider overpayments where there is an error in a claims payment to a provider.

## **CONTACTS**

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