



December 15, 2017

Michael Guyette
Chief Executive Officer
Blue Cross and Blue Shield of Minnesota
3535 Blue Cross Road
Eagan, MN 55122-1154

Dear Mr. Guyette

Early this fall, Blue Cross and Blue Shield of Minnesota (BCBS) notified providers of a system set up error made by your organization that resulted in overpayments to Medicaid behavioral health providers. Subsequently, you have asked these providers to return the overpaid portion. Given that this was an error made by BCBS, we are requesting that you stop all efforts to recoup these funds. Further, we request that you return whatever money you have received to the providers.

Although BCBS has stated that it is a legal obligation to recoup these overpayments from contracted providers, this action does not make it right to do so. Moreover, in discussions we have had with multiple organizations and advocacy groups, there is strong reason to believe that many providers and provider groups will suffer significant financial hardship as a result of your decision to recoup overpayments that were based on your error. These financial hardships include:

- Unfortunately, the organizations that provide services to underserved populations will be the hardest hit. They serve the largest proportion of Medicaid patients and thus will have the largest financial burden in the recoupment process. They are not capitalized in the way that larger organizations such as BCBS are and so do not have financial reserves to match the monies demanded from them by the BCBS recoupment.
- Some impacted clinics have contracted providers who already have been paid for services provided, and yet now are no longer contracted with those clinics. BCBS encourages providers to join larger group practices and it is these group practices that also will be impacted adversely. In the normal course of business, providers come and go from different clinics, and therefore it is virtually impossible for clinics to recoup money at the provider level.
- The administrative costs to verify the recoupment in ways that follow correct accounting procedures is prohibitive. This ask from BCBS has created enormous accounting burdens for clinics, which is translated into higher administrative costs for these clinics to pay money back to you for your system set up error. The administrative costs for accounting alone will be upwards of 20-60% of the recoupment demand.

- Finally, based on discussions with multiple stakeholders, we are concerned that a number of key community provider groups who serve large numbers of Medicaid patients will not be able to weather this financial demand and remain in business. Therefore the impact of the BCBS Medicaid overpayment error and recoupment could very well result in the elimination of crucial components of Minnesota's behavioral health delivery system further reducing access to care.

We ask BCBS to do the right thing: cease the recoupment efforts and return any money you have already received.

Sincerely,

Minnesota Psychological Association Executive Committee



Bruce L. Bobbitt, Ph.D.,LP



Robin McLeod, Ph.D.,LP



Steve Girardeau, Psy.D.,LP



Susan McPherson, Ph.D., LP

cc: Eric Hoag, Vice President of Provider Relations, BCBSMN
Scott Keefer, Vice President of Public Affairs, BCBSMN
Brendan Shane, Director of Behavioral Health, BCBSMN
Jessica Looman, Commissioner of Commerce, State of Minnesota
Emily Piper, Commissioner, Minnesota Department of Human Services
Attorney General Lori Swanson, State of Minnesota