

# AMERIHEALTH CARITAS NORTH CAROLINA

## POLICY AND PROCEDURE

**Supersedes:** n/a

**Policy No:** 101.100.001

**Page:** 1 of 3

**Subject:** Provider Hardship (Advances) Policy

**Department:** Finance & Provider Network Management

**Current Effective Date:** 01/01/2024

**Last Review Date:** 03/29/2024

**Original Effective Date:** 02/01/2019

**Next Review Date:** 01/01/2025

**Unit:**

**Stakeholder(s):** Local Plan Management, Finance, Provider Network Management, Provider Network Operations

**Applicable Party(s):**

**Line(s) of Business:** AmeriHealth Caritas North Carolina

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**Policy:** Provider Hardship Payment (Advances)

Advances for any reason, whether for provider hardship or other basis, are an exception to our provider reimbursement process standards/rules. AmeriHealth Caritas North Carolina (ACNC) works cooperatively with the Department to be good stewards of Department funds and to assure effective administration of Medicaid managed care. The financial viability of providers is of great importance to ACNC and the success of the Medicaid program. Thus, ACNC is committed to timely payment of claims and the education/guidance to Providers to ensure proper claim submissions. In exceptional cases, and upon provider request, ACNC may in its discretion elect to provide a hardship payment to a provider that is associated with claim submission and processing issues that are specific to ACNC members, due to issues beyond the control of the provider. This would occur after 30 days of claims submission to ACNC. In such a case, a hardship payment will be applied against claims processed at a future date.

**Purpose:**

To define the process for identifying and calculating provider advances due to unexpected claim submission or processing issues.

**Definitions:**

**Hardship Payment:** An advanced payment from the PHP to a provider to address a situation in which the provider is experiencing a significant drop in PHP claims payments due to issues beyond the control of the provider.

**Procedure:**

The Provider Network Management (PNM) team will obtain via email written documentation and supporting documentation from a provider for a hardship request that is specific to ACNC claims issues (define what is causing the request and any resulting imminent financial detriment – e.g. unable to meet staff payroll). This will then be submitted to the Provider Network Operations (PNO) team to evaluate the provider's pending claims and, if not able to timely resolve with provider education and/or claim payments, only then will the Director of PNM submit a formal request to the Director of Finance for a hardship payment. Required information will include:

- Provider name

- Provider ID
- Description of the issue that has created the necessity for the advance
- Projected timeframe for resolution
- Type of provider
- Dates of service: to-from (timeframe)
- Detail supporting the provider hardship and the need for a requested hardship payment
- Recoupment recommendation:
  - Start date of recoupment – within 60 days
  - Weekly recoupment \$ amount

The Director of Finance will review the hardship request and attempt to validate the requested amount in order to develop a Provider Hardship (Advances) financial recommendation, which will be reviewed by the Market President. Upon approval, communication will be made to the Director of PNM, and required Provider Hardship (Advances) documentation will need to be completed by the provider, per the Finance Policy – Provider Advances in Facets. Provider hardship payments cannot be processed until the Provider Advance Agreement has been executed by an authorized signer for the provider and the ACNC Market President. The PNM Director will send the executed Provider Advance Agreement with an accompanying communication to the provider, this will serve as the acknowledgement to the provider of the status of the Advance. The Provider Advance Agreement executed by the provider and ACNC will serve as authorization for payment. The Director of PNM will notify the Department of the advance payment, by having the related Command Ticket updated (if applicable) and via reporting on the bi-weekly status report. The PNM Director will also respond to requests from the Department as to the status of any provider hardship requests.

ACNC will process Provider Hardship Payment requests within 7 business days of a hardship request or 3 business days of receipt of an urgent hardship request, although only after the full completion of the procedures of this Policy. An approved Provider Hardship is immediately processed for Payment via ACH or check to the provider.

For statutory accounting, provider advances are generally considered to be a non-admitted asset and reduce the statutory equity of the Company. As an entity regulated by the North Carolina Department of Insurance, ACNC must meet minimum equity requirements in order to continue operations within the state. Thresholds will be set establishing minimum and maximum payouts:

Minimum Advance: \$10,000  
 Maximum Advance: \$100,000

The thresholds will be monitored and compared to the equity of the company, and in no circumstance will the maximum aggregate threshold exceed 2% of admitted assets. Therefore, the maximum threshold may decrease based upon total admitted assets.

In order to receive an advance on claims, the provider must agree in writing to:

- allow for the advance to be immediately offset unless there is agreement to a future commencement date against claims payment, if the provider opts not to make a single payment in full; and
- if the advance has not been fully recouped within 90 days from the initial recoupment date, to refund the balance within 7 calendar days of a written request from ACNC.

**Related Policies and Procedures:**

Finance Policy Provider Advances in Facets, Policy No: 114.600



114.600 - Provider  
Advances in Facets.p

**Superseded Policies and Procedures:**

N/A

**Source Documents and References:**

N/A

**Attachments:**

Finance Policy Provider Advances in Facets

**Approved By:**

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Paul Stevenson  
Director of Finance  
Electronic Signature on File

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Date