UMCC Update: Refunding CHIP Copayments for Recouped Services

Frequently Asked Questions

September 2026

1. **What is the purpose of this new section in the UMCC?**
   Under the **Texas Health and Human Services Commission (HHSC)** Uniform Managed Care Contract (UMCC), Section 8.1.23.2 governs the refunding of CHIP copayments when services are recouped or denied after a retrospective review.
   Source: Uniform Managed Care Manual 8.1 Provider Contract Checklist

2. **What are the core rules and responsibilities?**
   When Texas Children's Health Plan (TCHP) or another Managed Care Organization (MCO) or its audit entity recoups a payment from a provider for a previously approved service, the provider is no longer legally allowed to keep the member's cost-sharing amount.
   - The Mandate: The provider must refund the CHIP copayment directly back to the member or the member's family.
   - The Logic: Because the service has been contractually disallowed or determined to be non-covered during a retroactive audit, charging the member a copayment for that service becomes an invalid cost-sharing collection.

3. **When will TCHP begin the notification process?**
   Beginning in October 2026, TCHP's designated operational reporting team will generate a recurring report of CHIP claims recouped by TCHP. TCHP's Provider Relations Account Leads and Liaisons will contact impacted CHIP providers each month via email to notify them of members requiring a refund within 10 business days of claim identification. Providers will be contractually required to complete and return an online attestation within 30 calendar days of receipt. The completed attestation will be used for reporting purposes.

4. **What are the provider's actions for recouped claims?**
   The process is TCHP's procedure for identifying recouped CHIP claims where a member may have paid an office copayment and verifying whether that copayment was refunded when required. The process includes claim identification, applicability review, provider outreach and attestation, follow-up, escalation, case closure, monitoring, and corrective action when needed.

   If you are a provider facing a post-payment recoupment on a CHIP claim:
   - Identify Affected Members: Review TCHP's or other MCO's recoupment remittance advice to extract the specific patient accounts where the payment was recouped back.
   - Issue Direct Refunds: Promptly return the collected copayment amount to the guarantor or Member's family.
   - Adjust Patient Ledgers: Ensure the internal billing ledger reflects a zero balance for both the insurance portion and the member copayment portion. You cannot bill the member for the balance of a recouped service.
   - For TCHP, providers must attest to refunding copays to member's families by completing an online form and returning it within 30 days to their Account Lead or

Provider Relations Liaison that contacted the provider.

5. What are the possible provider attestation outcomes? The provider must certify one of four outcomes:

- Copay Collected and Refunded — The provider collected a CHIP office copayment and refunded the member or responsible party.
- No Copay Collected — The provider did not collect a CHIP office copayment.
- Refund Not Applicable — The provider believes the refund requirement does not apply and explains why.
- Unable to Complete Refund — The provider cannot complete the refund and explains the barrier, such as outdated member contact information or a returned payment.

6. What makes an attestation complete?

A complete response must include:

- Correct claim reference
- Clear attestation selection
- Refund amount or confirmation that no copayment was collected.
- Provider representative name and date
- Supporting documentation, when requested

7. How can providers best prepare?

Providers are advised to share this communication with their staff and adjust their daily operations accordingly to accommodate the new requirements within time constraints (30 days).

8. Quick Reference: Key Timeframes

Activity	Required Timeframe
Recoupment report	At least monthly
Provider attestation request	Within 10 business days of claim identification
Provider response	Within 30 calendar days of request