



State Denial Investigation and Resolution

June 25, 2020



Los Angeles County Department of Public Health
Substance Abuse Prevention and Control

Describe

Describe the overall claiming and recoupment process from service to State Denial, including common terminology.

Identify

Identify where to find State Denied Claims within and outside of Sage

Discuss

Discuss the top State Denials and workflow strategies to avoid them.

Learn

Learn how to resolve State Denied claims and the appropriate process for rebilling to maximize revenue.

Level 1 Denial

Local denials as denied by SAPC that have never been paid.



Level 2 Denial

Billed services that were paid by SAPC and later denied by the State resulting in recoupment by SAPC.



Service

This is the treatment provided to the patient.



Claim

Refers to the group of services contained within a bill. Claims can contain 1 or more services.

Claim Resubmission

Refers to creating a new claim for a service(s) that has already been denied.



Replacement Claim

Replacement claim is the correction or updating of a previously submitted claim. A replacement is sent when a data element on the original claim either needs to be added or needs to be corrected.



Payer Claim Control Number (PCCN)

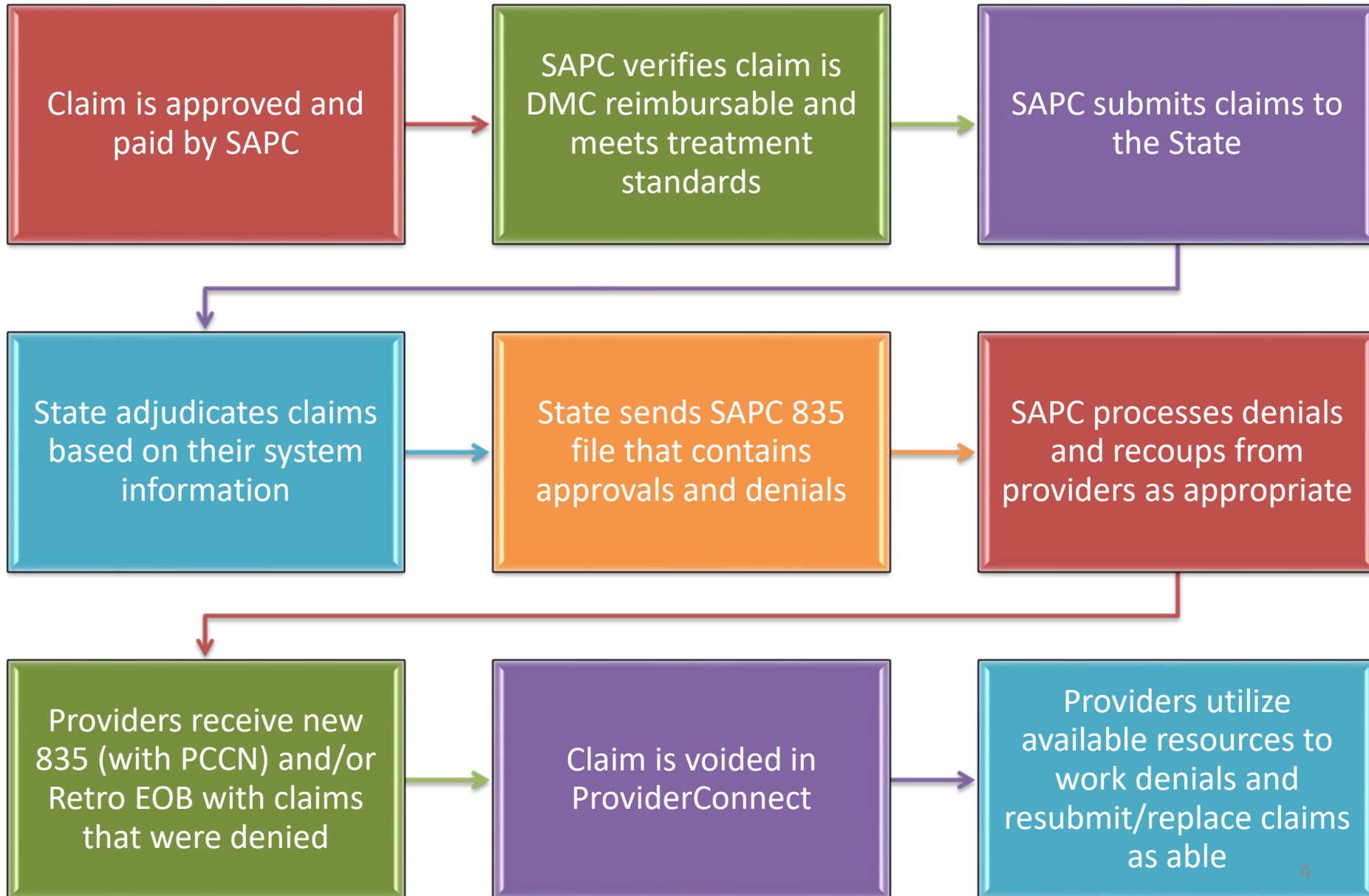
This is the number assigned to each claim for tracking purposes and must be included on each replacement claim in order to follow the claim



Recoupment/Takeback

A claim is recouped or taken back after it has been denied by the State, which means money that has been paid out will be deducted from the next EOB posted in the system.

Life of a State Denied Claim





Finding State Denied Claims



Providers will have visibility on State denials if a service was denied by the State AND recouped by SAPC.



Not all State Denials are recouped by SAPC.

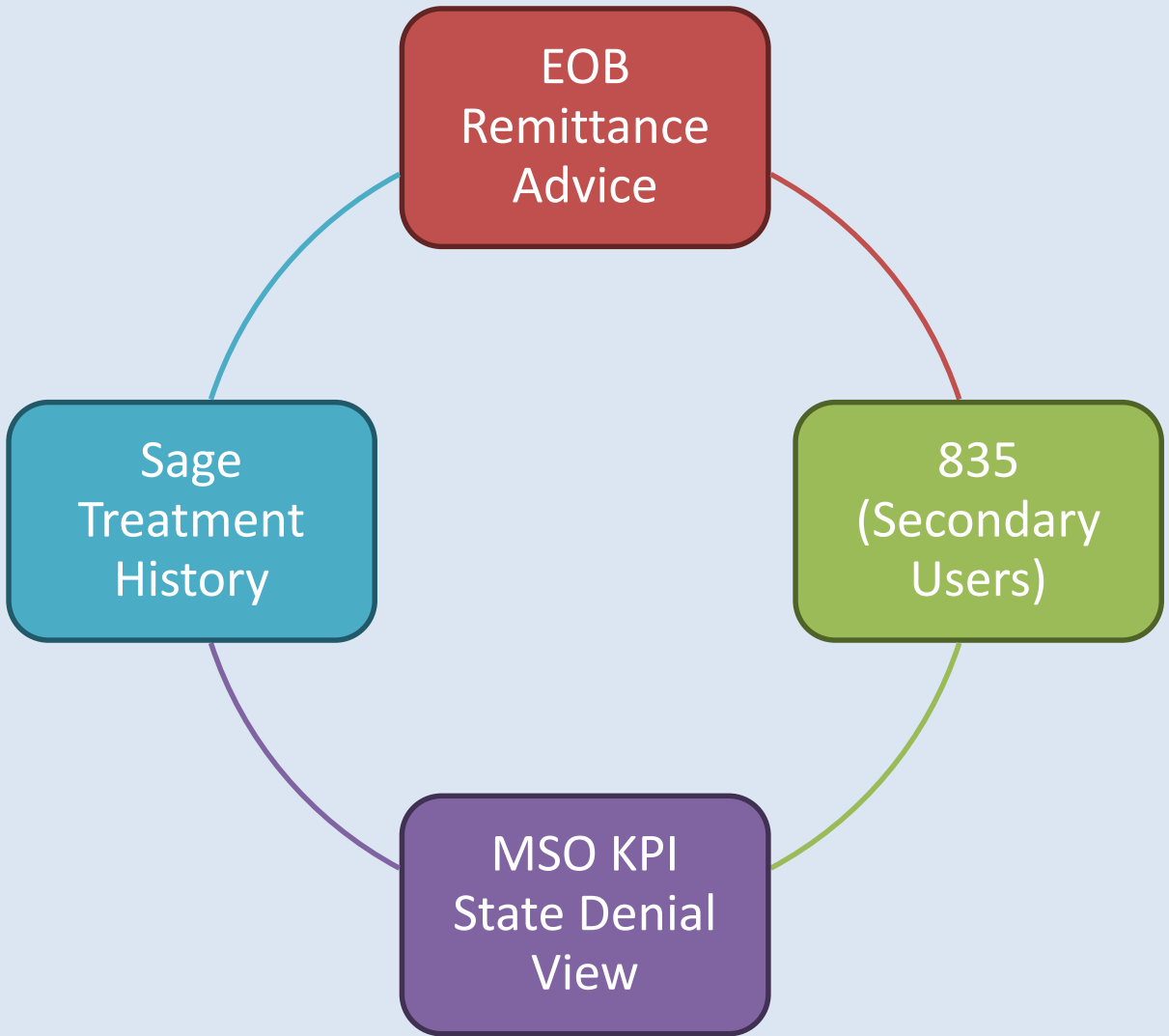


Some State Denials can only be fixed by SAPC.



Some State Denials are appropriate and cannot be fixed for resubmittal/replacement. (Ex. A patient lost their Medi-Cal mid treatment and continued to receive services).

Finding Services Denied by the State





Adjustment Notice

An adjustment of \$ -480.79 has been applied to this payment.

Current Claims:
Adjustment: -480.79
Adjusted EOB Total: -480.79

Detail Adjustment Information for EOB Number: 3

Original Service Information

Orig EOB

1

Adjustment Information

TEST, JONAH

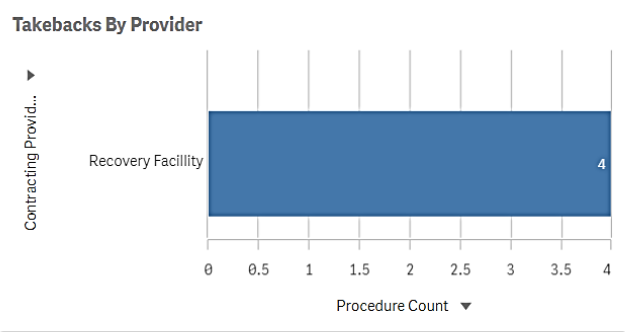
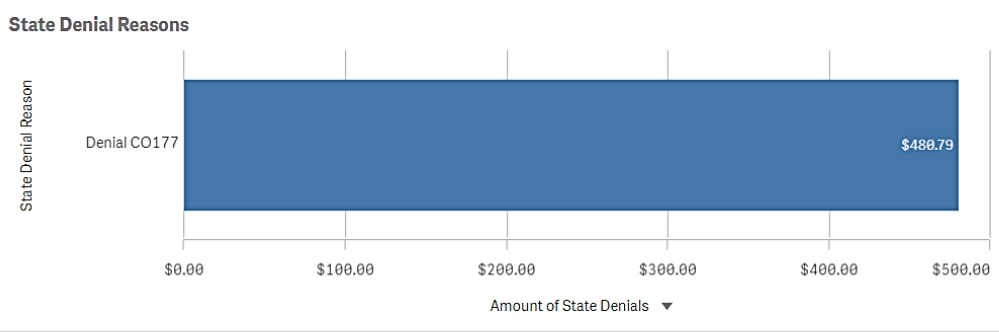
<u>BatchID</u>	<u>SvcRef</u>	<u>DOS</u>	<u>Proc</u>	<u>PatID</u>	<u>Status</u>	<u>Billed</u>	<u>Paid</u>	<u>Adj Date</u>	<u>Adj Amt</u>	<u>Adjustment Reason</u>
1	SVC.00003	12/5/2017	H0019:U1	125922	A	125.23	125.23	12/7/2017	\$-125.23	Denial Co177

- State denials resulting in a retro will be listed on the EOB Remittance Advice.
- The EOB will begin with an “Adjustment Notice,” the adjustment amount and adjusted EOB total on the first page of the EOB.
- This will only show State denied claims that were automatically retro’d by the system.
- Finance may also manually retro denials, which will then show on a subsequent retro EOB.

MSO KPI Dashboards 2.0- State Denial View



Provider Name Contracting Provider Program Retro EOB ID State Denial Reason Fiscal Year Fiscal Year-Month



Total Takeback Amount
\$480.79

Total Original Disbursement
\$480.79

Procedures.Date Of Service
2017-12-01 to 2020-04-21

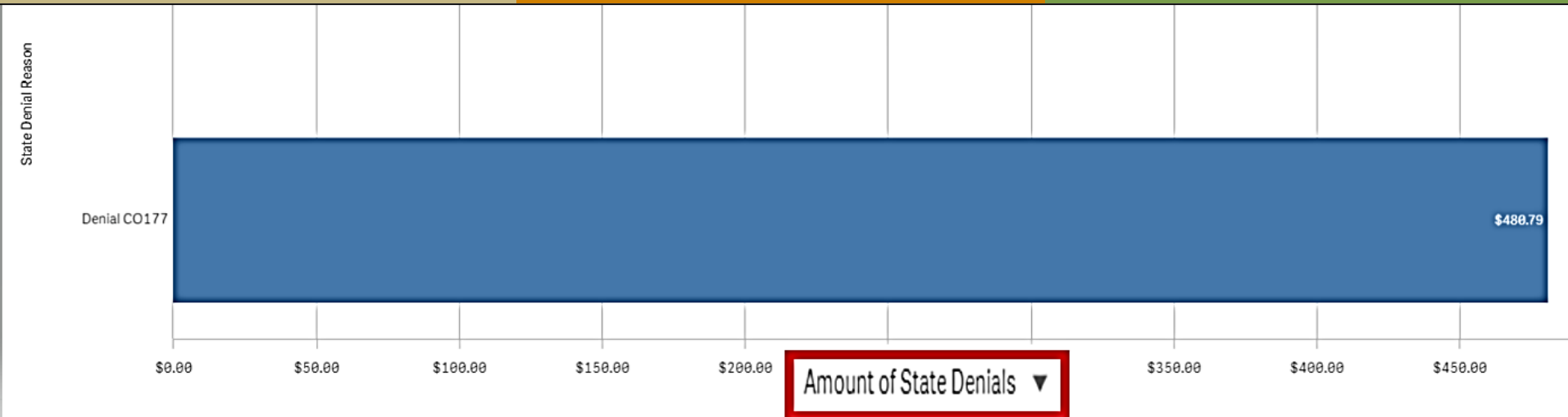
Procedure Overview

Pr... ID	Contracting Provider Program	Client Name/ID	DOS	Procedure	Auth #	Claim Status	Denial Reason	Takeba... Date	Charged Units	Expected Disburs...	Takeback Amount	Total Payout	Ret... EOB ID	Batch ID	Service ID
Totals									13.00	\$480.79	\$480.79	\$0.00			
8	Recovery Facility	TEST,JONAH (125922)	2017-12-04	Family Therapy (90846:U7)	P2872	Approved	Denial CO177	2017-12-07	4.00	\$118.52	\$118.52	\$0.00	3	40	SVC.00004

- Shows State Denied claims that SAPC has recouped
- “Claim Status” will continue to show as “Approved” because the claim was initially approved by SAPC prior to being denied by the State.
- Use the Claim Denial Resolution Crosswalk to fix and resubmit/replace these claims.

*****Remember KPI reflects a point in time. As information is updated, the figures will change*****

State Denial Reasons Object

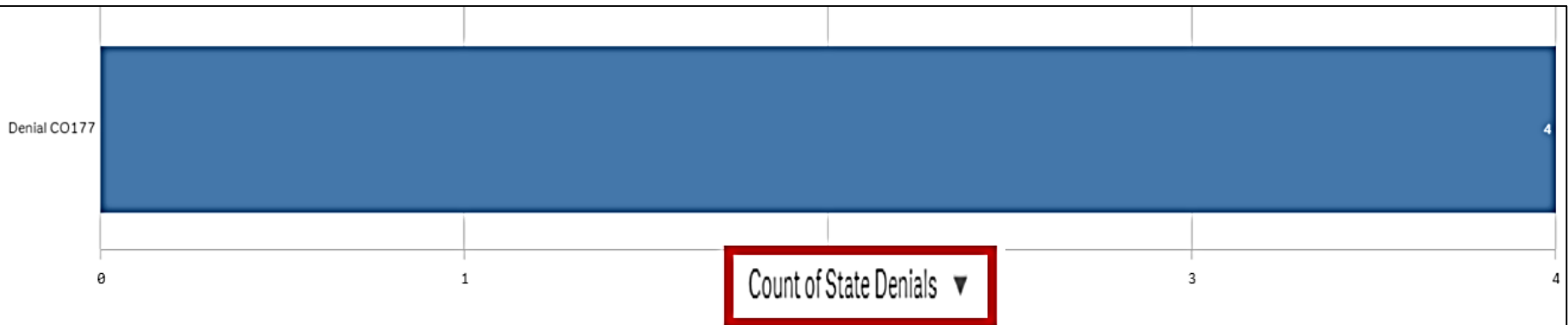


This object has alternate views so you may see the dollar amount associated with a specific code or the number services with a particular denial code

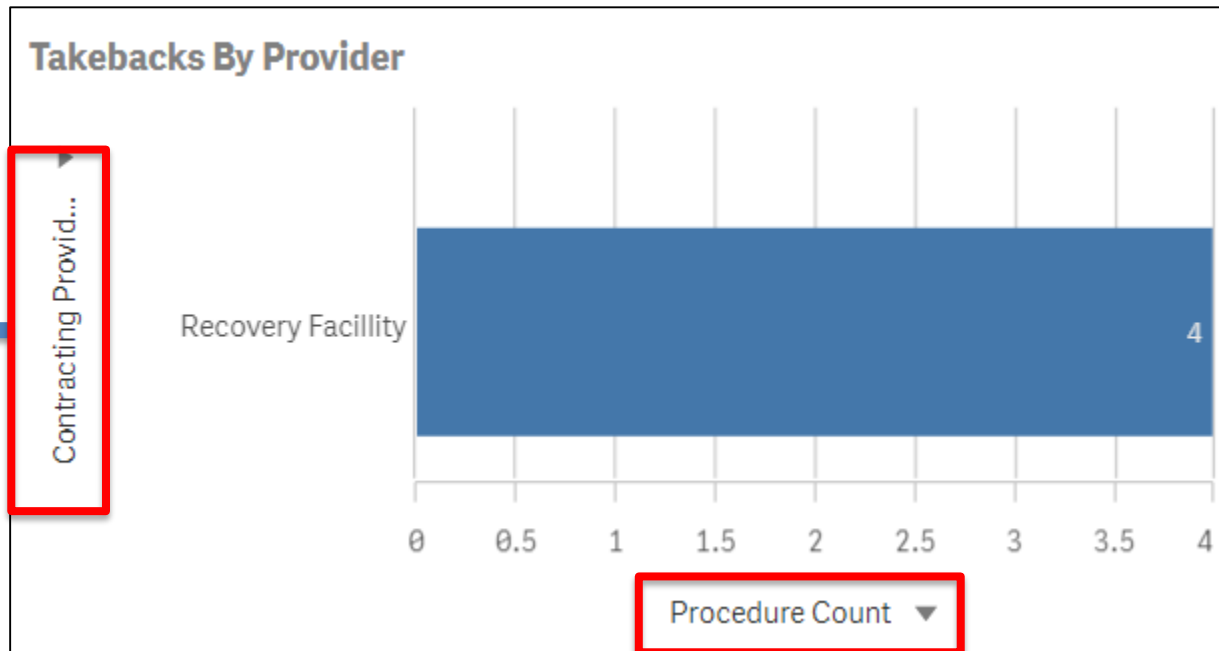
✓ Amount of State Denials

Count of State Denials

Amount of State Denials ▼



Takebacks by Provider Object



Contracting Provider Program ▼

- ✓ Contracting Provider Program
- Provider Name

- ✓ Procedure Count
- Takeback Amount

Procedure Count ▼

MSO KPI State Denial View



Client Name/ID	DOS	Procedure	Auth #	Claim Status	Denial Reason	Takeback Date	Charged Units	Expected Disburse...	Takeback Amount	Total Payout	Retro EOB ID	Batch ID	Service ID
							13.00	\$480.79	\$480.79	\$0.00			
TEST,JONAH (125922)	2017-12-04	Family Therapy (90846:U7)	P2872	Approved	Denial CO177	2017-12-07	4.00	\$118.52	\$118.52	\$0.00	3	40	SVC.00004
TEST,JONAH (125922)	2017-12-05	Family Therapy (90846:U7)	P2872	Approved	Denial CO177	2017-12-07	4.00	\$118.52	\$118.52	\$0.00	3	40	SVC.00005
TEST,JONAH (125922)	2017-12-05	Individual Counseling (H0004:U7)	P2872	Approved	Denial CO177	2017-12-07	4.00	\$118.52	\$118.52	\$0.00	3	40	SVC.00003
TEST,JONAH (125922)	2017-12-05	Residential-Alcohol and/or Drug Service (H0019:U1)	2653	Approved	Denial CO177	2017-12-07	1.00	\$125.23	\$125.23	\$0.00	3	39	SVC.00003

Claim Status	Denial Reason	Takeback Date	Charged Units	Expected Disburse...	Takeback Amount	Total Payout	Retro EOB ID	Batch ID	Service ID
			13.00	\$480.79	\$480.79	\$0.00			
Approved	Denial CO177	2017-12-07	4.00	\$118.52	\$118.52	\$0.00	3	40	SVC.00004
Approved	Denial CO177	2017-12-07	4.00	\$118.52	\$118.52	\$0.00	3	40	SVC.00005
Approved	Denial CO177	2017-12-07	4.00	\$118.52	\$118.52	\$0.00	3	40	SVC.00003
Approved	Denial CO177	2017-12-07	1.00	\$125.23	\$125.23	\$0.00	3	39	SVC.00003

Treatment History									
Agency	Tx Date <small>click to view details</small>	Status	Therapist	Procedure Code	Units	Duration	Billing		
							Bill Date	Status	Expected Disbursement
Recovery, Inc.	9/10/2018	Complete	SMITH,JOHN	H0019:U3:HA	1	1	9/20/2018	Void	\$0.00
Auth #: 88664 CP Program: Recovery Facility					Bill Enum: 920201814262795				

- Claims that have been denied by the State, voided by the provider, or taken back by SAPC will all show as “Approved” under claim status.
- All takebacks and provider voids will show as voided on the treatment details and history.

Field	Value
Procedure Code	H0019:U3:HA (C) - Residential -Alcohol and/or Drug Service
Revenue Code	
Units	1
Approved Units	1
Service Date	9/10/2018
Start Time	
End Time	
Funding Source	Drug Medi-Cal
Authorization Number	
Claim Status	Approved
Claim Status Reason	
Explanation of Coverage	
Duration	1
Private Pay Amount Add/Edit	\$0.00
Billed Amount	\$125.23
Expected Disbursement	\$125.23
Fee Table Amount	\$125.23
Comments	
Service Comments	
Voided	Yes

- The Bill Enumerator will also note the State Denial as a “Void” in the Denied column.

Dates				Cost					
From	To	Total Units	Paid Units	Total	Pending	Paid	Denied	Void	
12/18/2018	12/18/2018	90.00	90.00	\$51.98	\$0.00	\$51.98	\$0.00 (Void: \$51.98)	\$51.98	



835P File- Secondary Providers Only

State Denial and Takeback

```

ISA*00*.....*00*.....*ZZ*680290013.....*ZZ*951234567.....*171019*2205*!*00501*0000000055*0*P*::~
GS*HP*951234567*680290013*20171019*220515*1*X*005010X221A1~
ST*835*0137~
BPR*I*0*C*NON*****20171019~
TRN*1*34_DENIED_137*1953893470~
REF*F2*AVATAR MSC 2017~
DTM*405*20171019~
N1*PR*COUNTY OF LOS ANGELES SAPC~
N3*1000 S FREMONT AVE~
N4*ALHAMBRA*CA*91803~
PER*CX*RICHARD LUGO*TE*8008751850*EM*RLUGO@PH.LACOUNTY.GOV~
PER*BL*LA SAPC EDI HELP DESK~
N1*PE*RECOVERING, INC..*XX*1751934005~
REF*TJ*951234567~
LX*1~
CLP*3048*22*-28*-28**HM*288*11*1~
NMI*QC*1*CLIENT*TREATMENT***MI*12~
REF*F8*288~
DTM*232*20170904~
DTM*233*20170904~
SVC*HC:90846:U8*-28*-28**1~
DTM*472*20170904~
REF*BB*P1136~
AMT*B6*-28~
CLP*3048*1*28*0**HM*288*11*1~
NMI*QC*1*CLIENT*TREATMENT***MI*12~
REF*F8*288~
DTM*232*20170904~
DTM*233*20170904~
SVC*HC:90846:U8*28*0**0**1~
DTM*472*20170904~
CAS*CO*177*28*1~
REF*BB*P1136~
PLB*1619008380*20180630*FB:34_DENIED_137*-28~
SE*33*0137~
GE*1*1~
IEA*1*0000000055~

```

This 835 only contains a takeback due to a State Denial and is processed as a \$0.00 payment with a future deduction listed in the PLB segment

BPR*I*0*C*NON*****20171019~

TRN*1*34_DENIED_137*1953893470~

The first loop of 2100 – 2110 segments contains a negative transaction to takeback funds previously paid for this claim. The CLP and SVC segments contain a negative payment of -\$28.00

CLP*3048*22*-28*-28**HM*288*11*1~
NMI*QC*1*CLIENT*TREATMENT***MI*12~
REF*F8*288~
DTM*232*20170904~
DTM*233*20170904~
SVC*HC:90846:U8*-28*-28**1~
DTM*472*20170904~
REF*BB*P1136~
AMT*B6*-28~

The second loop of 2100 – 2110 segments contains the denial of the claim. The CAS segment contains the CARC from Drug Medi-Cal

CLP*3048*1*28*0**HM*288*11*1~
NMI*QC*1*CLIENT*TREATMENT***MI*12~
REF*F8*288~
DTM*232*20170904~
DTM*233*20170904~
SVC*HC:90846:U8*28*0**0**1~
DTM*472*20170904~
CAS*CO*177*28*1~
REF*BB*P1136~

PLB Segment shows the amount of a future takeback. This amount will be deducted from the next 835(s) until full amount has been consumed.

PLB*1619008380*20180630*FB:34_DENIED_137*-28~
SE*33*0137~
GE*1*1~
IEA*1*0000000055~



Top State Denial Codes



About the Denials

State denials for Fiscal Year 18/19 and 19/20 were different than DMC-ODS' first year of billing.



The primary reasons for denials in FY 18/19 and 19/20 included issues with:

Patient related
information

Provider
related
information

Performing
Provider
related
information



CO177

Patient has not met the required eligibility. (177)

Beneficiary aid code is "restricted to pregnancy services" and the client is not identified as perinatal-eligible (Loop 2000B PAT09 is "Y" not provided).

MEDS indicates this client has non-Medicare other health coverage, and the claim does not indicate that coverage has been billed first.

Beneficiary aid code(s) do not indicate eligibility for Drug Medi-Cal services.

Claim denied because client is ineligible per MEDS.



C096 N424

Non-covered charge(s) (96). Patient does not reside in the geographic area required for this type of payment.(N424)

The billing county is not the county of responsibility for the beneficiary.



CO16 N327

Claim/service lacks information or has submission/billing error(s) which is needed for adjudication (16). Missing/incomplete/ invalid other insured birth date (N327).

Missing/incomplete/invalid date of birth. Date of birth on 837 file does not match date of birth in FAME response.



CO 167 N30

This (these) diagnosis(es) is (are) not covered (167). Patient ineligible for this service (N30).

Service line did not contain a valid Drug Medi-Cal diagnosis code.



COB7 N570

This provider was not certified/eligible to be paid for this procedure/service on this date of service (B7). Missing/incomplete/invalid credentialing data. (N570)

Service line denied because the Service Facility Location is not authorized to provide for the identified service for the billing county on the date(s) of service.

837I: Service line denied because the Service Facility Location is not authorized to provide the service (identified by the Revenue Codes, PCS codes and DPI) for the billing county on the date(s) of service.



CO208

National Provider Identifier - Not matched. (208)

NPI out of date range for this claim.

NPI is incorrect.

Provider shares NPI with another location and DMC accounting system cannot currently issue payment for this type of claim.



Fixing State Denial Codes



General Rules/Tips for Fixing Claims

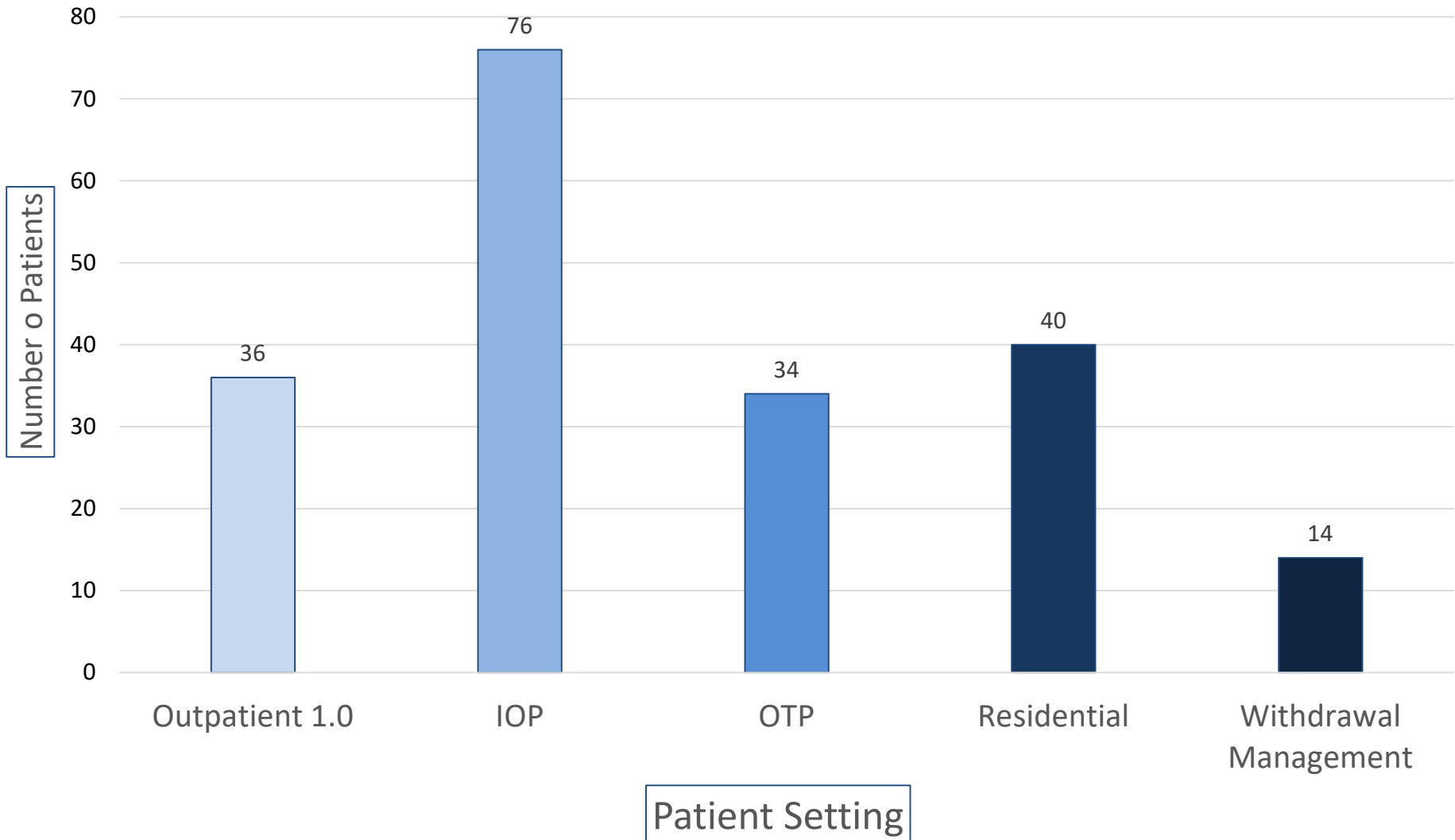
Learn common denials and incorporate solutions into the normal workflow

One correction can fix multiple claims

Some denials are appropriate and cannot be fixed.



Sample DMC Claims per Month per Patient





Learn common denials and incorporate solutions into the normal workflow

Demographics

Eligibility

Financial Eligibility needs to match information according to DMC website

Verify demographics information on file with DHCS and match to F.E. in Sage.

SAPC contract requirement to check DMC eligibility before admission and monthly

AEVS/
DHCS Eligibility Website/
Point of Service Machine/
Real Time 270 in Sage

Update Financial Eligibility immediately with current information if anything changes

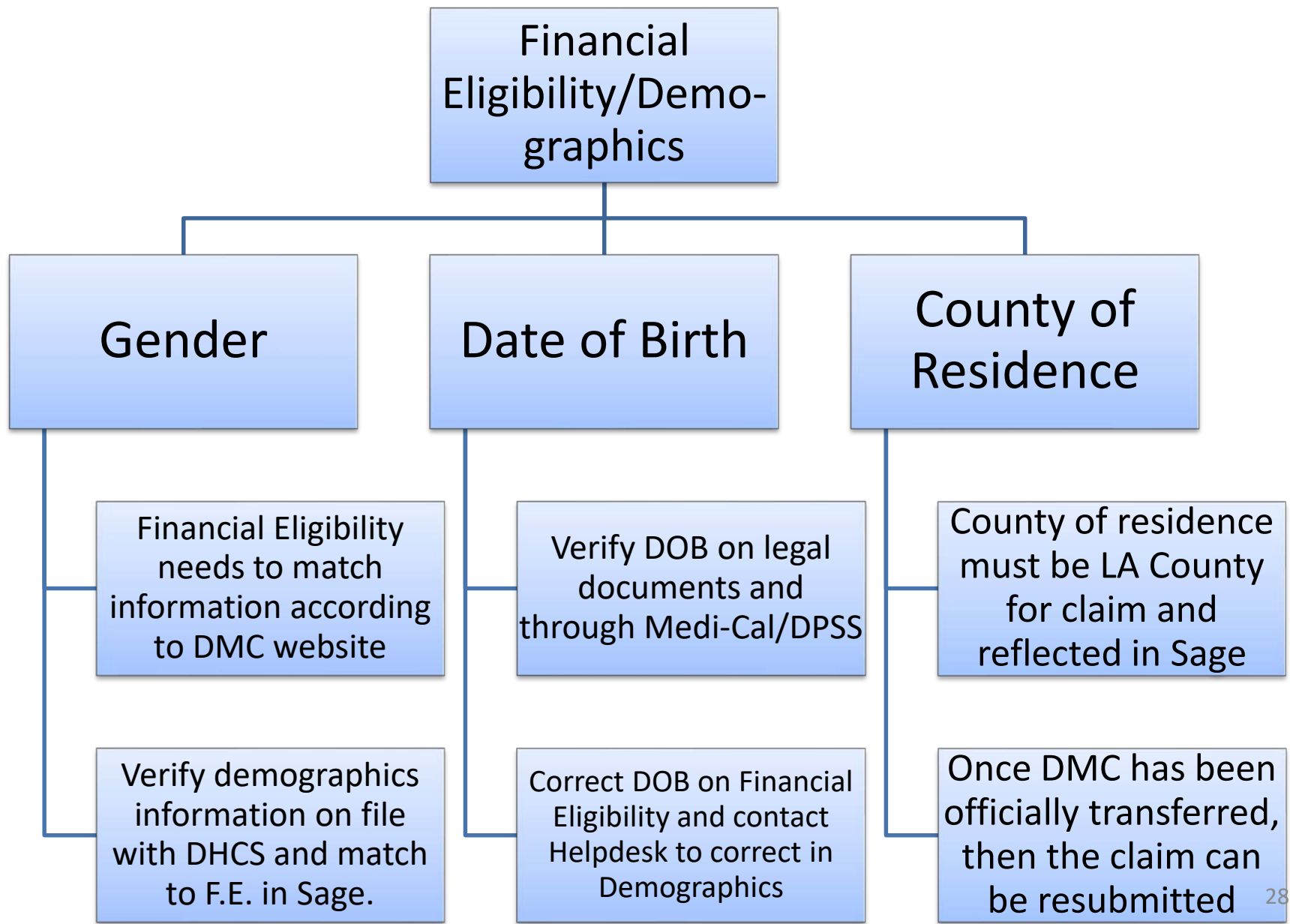
Primary Diagnosis

- The primary diagnosis MUST be an SUD diagnosis on the Provider Diagnosis (ICD-10) form in Sage.
- All patients must have a diagnosis in Sage, regardless of Primary or Secondary User status.

Updating Diagnosis

- When updating an admission diagnosis, be sure to include all diagnoses, not just the changes.
- The Updated diagnosis voids any previous entries.
 - E.g. If Admission diagnosis was F15.20, but the provider wants to update to add a mental health diagnosis.
 - The provider must enter F15.20 as the primary diagnosis on the update. Then include any subsequent mental health diagnoses.
 - Provider can still change the SUD diagnosis if the specifier needs changing, but it must be primary on the update.

One Change to Fix Them All





Denial Codes Related to NPIs

Program/Performing Provider NPI Denials

- Contact CPA or helpdesk to verify NPI #'s in Sage are correct

CO 16 N521

- Match service with authorized staffing level per Staffing Grid and confirm NPI

CO B7 N570, CO B7, CO 208

- Dates of service must fall within date of DMC certification for billed site.
- Duplicate NPI issued by the State, where service was submitted for deactivated site.

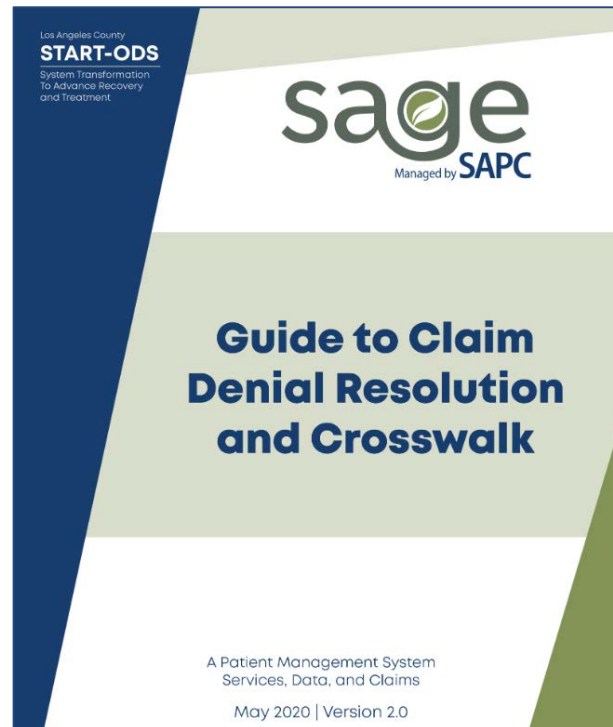
Note:

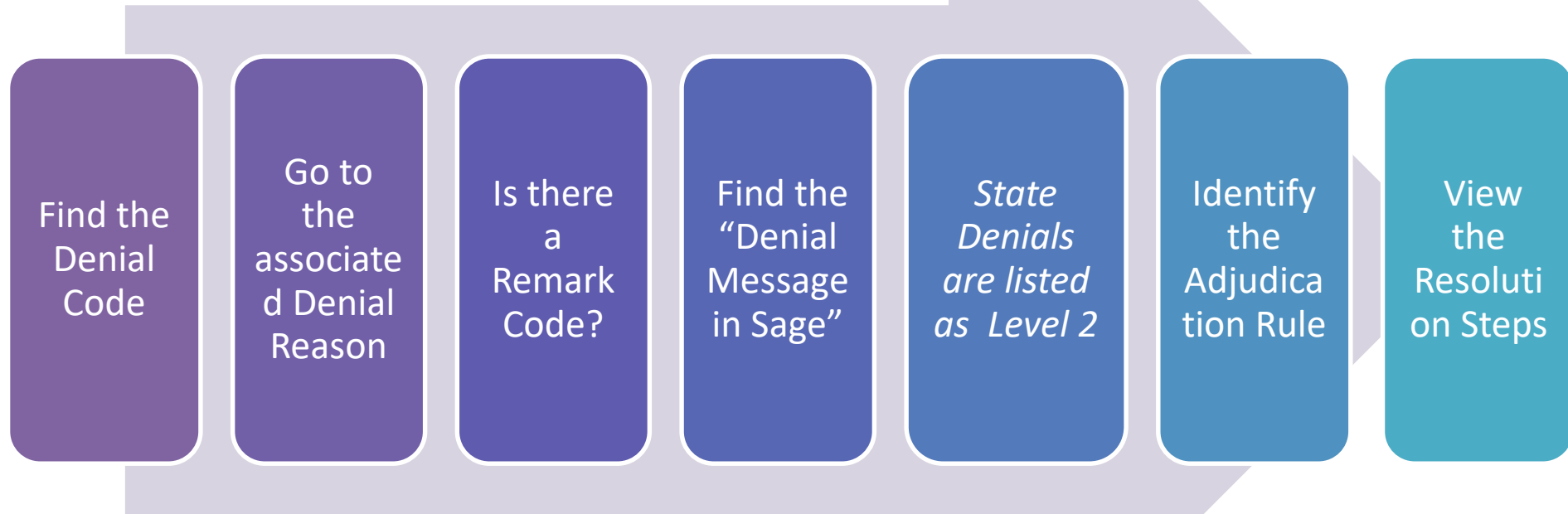
- Staff credential/license must be current and valid. This is a consistent audit finding.

Denial Crosswalk and Instructions

Finance Related Forms and Documents

- [Claim Denial Reason and Resolution Crosswalk for Providers](#) *(Updated - May 2020)*
- [Denial Crosswalk Instructions Version 2.0](#) *(Updated - May 2020)*
- [Quick Guide to Identifying Denials](#) *(New - May 2020)*





***Note step 5. Local and State denials may have similar denial codes. When troubleshooting, please make sure you are looking at the right code for that level denial.

“EASY” Troubleshooting in Action



835/EOB/KPI:
CO167 N30



Locate CO167 N30
on
Crosswalk



Invalid DMC
Diagnosis



Complete Provider
Diagnosis (ICD-10)
with a correct
“update” diagnosis
type



Is PRIMARY
diagnosis a covered
SUD Dx

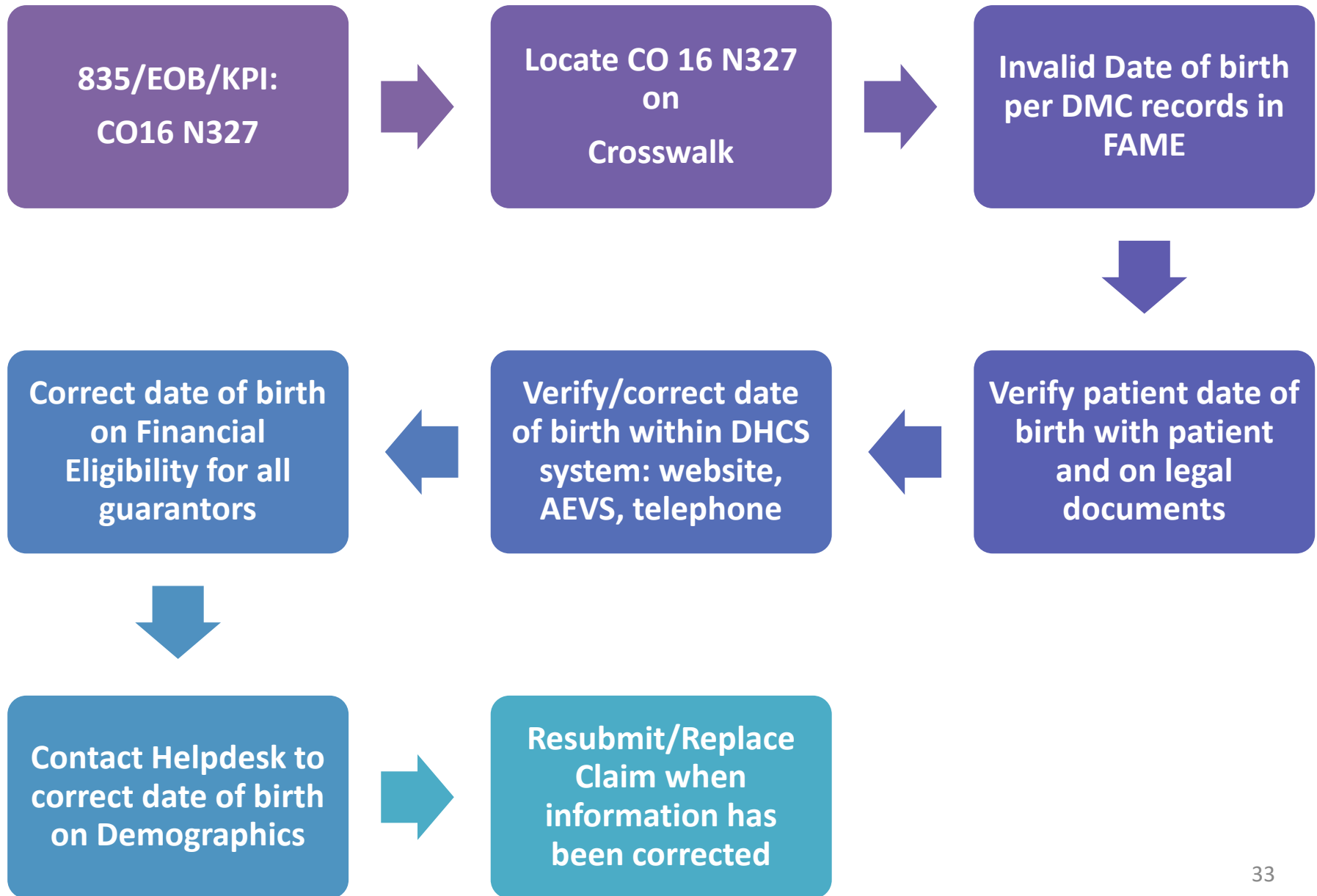


Look up Pt
Diagnosis



Replace/Resubmit
Claim with
corrected
information

HARD Troubleshooting in Action





Rebilling Process



Billing with Sage

- **Resubmit** a new Claim
- This is the same process for any denied claim, local or state.
- State denied claims are voided in the Treatment History and original Bill Enum. As such, they will not show in the replacement claim drop-down.

Bill with 837P/I files

- **Replace** the service keeping the PCCN identifier provided by the SAPC on the 835 (REF*F8)
- CLM05-03 Must be '7' to indicate replacement claim and the PCCN from the 835 must be listed in REF02
- Companion guide page 36 for example

Primary Provider Billing Tip



If a patient has multiple services that need to be resubmitted, using the Date Range or Multiple Dates function will reduce the time needed to resubmit.

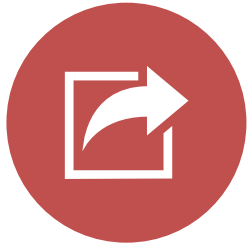
Must click filter on Multi Dates to populate the rest of the form fields

Enter Treatment Criteria					
<input type="radio"/> Single Date:					
<input type="radio"/> Date Range:					
<input checked="" type="radio"/> Multiple Dates:					
<input type="button" value="Calendar"/>	<input type="button" value="Filter on Multi Dates"/>				
	7/1/2019	8/28/2019	11/01/2019	12/01/2019	03/18/2020
	10/10/2019	10/31/2019	11/13/2019	11/20/2019	12/01/2019
<input type="checkbox"/> Include Weekends	<input checked="" type="checkbox"/> (check this box to include weekends when adding treatment)				
Filter by Funding Source:	All				
Authorization:	Auth #, Funding Source, Valid Dates : [Auth Grouping Name] Auth #: 107568 FS: Drug Medi-Cal 7/1/2019 - 6/30/2020 :				
Procedure Code:	Procedure Code - Description ([Funding Source.] Level of Care) H0005:U7 H0005:U7 - Group Counseling				
Clinician:	SCHWARZ, GREG SAPC (12/1/2017 -)				
Performing Provider License Type:	10 - Registered SUD Counselor/Other Provider				
Program:	Recovery Facility				
Units / Day:	90 Warning! testing Group based service				
Is this service a replacement?	<input type="radio"/> Yes <input checked="" type="radio"/> No				

When using either Date Range or Multiple Dates, the Authorization, Procedure Code, Clinician, and Units and Duration must be the same.

Example of when to use this:

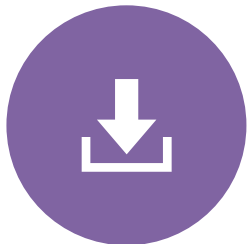
Patient attends weekly individual counseling for 60 minutes with the same counselor



SAPC bills the State multiple times a month



Denials are returned to SAPC quicker than Approved Claims.



Approved State Claims may not be received by SAPC for six (6) months or more



It is important you track what you have already resubmitted/replaced, to prevent duplicate submissions.

If you need more help



Help Desk 855-346-2392 <https://netsmart.service-now.com/plexussupport>



Finance Analyst



Contact billing vendor



CIBHS TA support: Amy Mcilvaine amcilvaine@cibhs.org



For Local [Claim Denial Investigation](#): SAPC Start ODS All Provider Meeting January 28, 2020.



KPI trainings: ProviderConnect→ Documentation→ Help→ Sage Training and Other Materials (left hand side panel).



Questions

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- UM Questions/Check Status of Authorizations:
SAPC.Qi.UM@ph.lacounty.gov
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