



ADMINISTRATIVE/FISCAL/CLINICAL/PHF POLICY AND PROCEDURES

COUNTY OF SANTA BARBARA
ALCOHOL, DRUG AND MENTAL HEALTH SERVICES

Section - QUALITY ASSURANCE	Effective: 11/1/2008
Policy - #41: DISALLOWANCE & RECOUPMENT	Revised:
Director's Approval <u><i>Ann DeMick</i></u>	Date <u>4/23/09</u>
Assistant Director's Approval <u><i>M. J. [Signature]</i></u>	Date <u>4-23-09</u>
Form Ref. -	Reviewed:

POLICY:

It is the policy of ADMHS to identify any services which do not comply with Medi-Cal regulations and other requirements for reimbursement, and prevent billing of such services, or to notify Medi-Cal and repay the State if any such services have already been reimbursed. When such services have been provided by contracted providers, it is also ADMHS policy to notify the provider and, if reimbursement has been made, to recoup the expended funds from the provider.

PROCEDURE:

- A. Documentation standards and the procedure for identifying services which must be disallowed are set forth in Policy & Procedure #30, Provider Monitoring and Documentation Review.
- B. Whenever Quality Assurance identifies a service which must be disallowed, the Program Manager, or the designated contact person for contracted providers, is notified by e-mail and U.S. Postal Service Certified Mail of the identify of the clinician(s) who documented the service, the Individual Service Number from Clinician's Gateway, the reason for disallowance, and the program's right to appeal the disallowance within 30 days of notification.
 1. Quality Assurance enters the same information into the Disallowance Database for tracking purposes.
- C. If an appeal is received within the 30 day timeframe, the service documentation and appeal are reviewed by the Quality Assurance Psychiatrist, who determines whether or not the service must be disallowed. The receipt of the appeal is logged in the Disallowance Database.

1. The Program Manager, or designated contact person for contracted providers, is notified of the QA Psychiatrist's decision within 5 business days of the decision. Information is logged in the Disallowance Database and the Program Manager or designated contact person for contracted providers is notified by e-mail, fax, or postal mail within five business days of the decision. The result of the appeal is also logged in the Disallowance Database.
- D. If no appeal is received within the 30 day timeframe, or if the decision is that the service must be disallowed, Quality Assurance provides MIS with the information required to specifically identify the service.
- E. MIS changes adds a "watermark" to the progress note (*i.e.*, a pale blue statement in large type, printed diagonally over the progress note so that it is visible both electronically and in print) stating "Disallowed." MIS also changes the coding of the service in ShareCare so that future Medi-Cal billing cannot take place.
1. That change allows anyone reading the documentation for the service to determine that the service was not billed to Medi-Cal or that Medi-Cal was reimbursed for the service.
 2. In addition, that change will prevent any service not already billed to Medi-Cal from being billed in the future.
- F. MIS determines whether ShareCare has uploaded the disallowed service to Medi-Cal.
1. If the service has not been uploaded, there is no need for recoupment/reimbursement because the service will not bill to Medi-Cal.
 2. If the service has been uploaded, MIS provides Fiscal with the information necessary to identify the service in ShareCare.
- G. Fiscal determines if each uploaded service in ShareCare has been claimed to the State.
1. If the service has not been claimed, no action required.
 2. If the service has been claimed, Fiscal notifies State that the service is disallowed.
 3. Fiscal prints disallowance screen shot from State site as detailed back-up.
 4. State notifies ADMHS Fiscal that an invoice will be generated.
 5. Fiscal generates check to state upon receipt of invoice.
 6. Copies of all back-up documentation are retained in Fiscal
 7. State invoices are routed to Quality Assurance to notify Quality Assurance that the process with the State is complete, and to finalize their records.

- H. Fiscal determines if service is Community Based Organization (CBO) or County ADMHS.
1. If County ADMHS, no further action required.
 2. If CBO service, Fiscal copies disallowance screen shot from State as detailed back-up, and generates invoice for CBO's.
 3. CBO invoice amount is deducted from CBO's current payment calculation and copies of invoice and detailed back-up are provided to CBO along with the current remittance, and net current payment.
 4. Fiscal logs 1) when they report to state, 2) when they pay state, and 3) when they deduct from provider payments in a tracking worksheet.
 5. Copies of all back-up documentation are retained in Fiscal.
 6. Tracking worksheet is routed to Quality Assurance to notify Quality Assurance that the process is complete, and to finalize their records.
- I. The process for accounting for disallowed units in the Cost Reports will be addressed in the Cost Report Policy & Procedure.

Assistance:

Reference:

Replaces: