

## POLICIES AND PROCEDURE MANUAL

<b>Chapter:</b>	<b>Financial Management</b>		
<b>Title:</b>	<b>Finance – Claims Procedure</b>		
<b>Policy:</b> <input type="checkbox"/>	<b>Review Cycle:</b> Annually	<b>Adopted Date:</b> 11.18.2014	<b>Related Policies:</b> Financial Management
<b>Procedure:</b> <input checked="" type="checkbox"/>	<b>Author:</b> MSHN CFO	<b>Review Date:</b> 03.2018	
<b>Version:</b> 1.0		<b>Revision Eff. Date:</b>	
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### Purpose

The purpose of this procedure is to describe the methodology by which Community Mental Health Services Programs (CMHSP) will process claims within the Mid-State Health Network (MSHN).

### Procedures

- A. CMHSPs will pay approved clean claims within 30 days of receipt of claim.
- B. CMHSPs will assume liability for claims for services that meet the following criteria:
  1. The service is delivered under a contract between CMHSP and a service provider.
  2. The service provider has billed and received reimbursement and/or an Explanation of Benefit (EOB) from other liable third parties prior to billing CMHSP AND
  3. The provider has received an authorization for the provision of service. This can be received in the form of a pre-authorization or retro-authorization, based upon the individual provider contract and/or as follows:
    - a. The service has been pre-authorized by another Prepaid Inpatient Health Plan (PIHP) or CMHSP on an emergency basis to a consumer who is a resident of the MSHN service area, OR
    - b. The service is provided on an emergency basis by an approved member of the CMHSP provider panel, and it can be determined that, but for the urgency of the need, the service would have been pre-authorized by CMHSP.
- C. CMHSP will pay pending claims within 30 days of receipt of all required documentation.
- D. Denied claims may be appealed in writing to the CMHSP Finance Director or individual identified within the provider contract. Written appeal must be received within 20 days after the provider receives the denial of payment. If the service provider is not satisfied with the action obtained from the original appeal, the provider may, within 30 days of receipt of the action, appeal to the CMHSP Executive Director. The Executive Director will send a written response to the provider.

### Applies to

- All Mid-State Health Network Staff
- Selected MSHN Staff, as follows:
- MSHN's Affiliates:  Policy Only     Policy and Procedure
- Other: Sub-contract Providers

### Definitions

**Clean Claim:** A claim submitted for payment that is completed in the format specified by the CMHSP and that can be processed without obtaining additional information from the provider of service or a third-party payer. It does not include a claim from a provider who is under investigation for fraud or abuse, or a claim under review for medical necessity.

**Pending Claim:** A claim that requires additional information from the provider of service or from a third-party payer before it can be approved for payment. Pending claims are not considered to be clean claims.

**Provider:** One that provides mental health and/or substance use disorder specialty supports and services under contract with CMHSP.

**Liable Third Party:** Refers to any health insurance plan or carrier (e.g., individual, group, employer-related, self-insured, or self-funded plan or commercial carrier, automobile insurance and workers compensation) or program (e.g., Medicare) that has liability for all or part of a recipient's covered benefit.

**Other Related Materials:**

MDHHS Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Contract, Financial Management Systems Section, Claims Management System Subsection, Post-payment Review Subsection, Total Payment Subsection, and Third-Party Resource Requirements Subsection

**References/Legal Authority:**

Section 1902(a)(25) of the Social Security Act

42 CFR 433 Subpart D

Michigan Mental Health Code Section 226a

Public Health Code

Michigan Medicaid Provider Manual

**Change Log:**

<b><u>Date of Change</u></b>	<b><u>Description of Change</u></b>	<b><u>Responsible Party</u></b>
11.18.2014	New Procedure	Chief Financial Officer
03.20.17	Policy Update	Chief Financial Officer
03.2018	Annual Review	Chief Financial Officer