DEPARTMENT OF HEALTH SERVICES

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October 29, 2001

PPL 01-015

TO: Local Governmental Agencies (LGAs)

Targeted Case Management (TCM) Coordinators

SUBJECT: THREE-STEP REVIEW POLICY FOR TCM INVOICES THAT REQUIRE

ADDITIONAL EXPLANATION

This transmittal is to inform each LGA TCM Coordinator (Coordinator) of the three-step policy regarding the review and approval of TCM invoices that contain overrides.

When a single beneficiary number is used to claim multiple encounters that occur on the same day, the TCM System flags subsequent encounters as potential duplicates. The coordinator must research these potential duplicate encounters thoroughly. If the encounters are valid, e.g. multiple births, the coordinator must override the duplicate flag to allow them to be claimed.

Currently, when a coordinator submits an invoice with encounters that have been overridden, the DHS Analyst (Analyst) requires additional information to support payment of the invoice. The coordinator should explain the overrides either in a cover letter or in an optional field on the encounter. If the overrides aren't explained when the original invoice is submitted, the analyst must request additional information before the invoice can be approved. Many invoices are submitted with duplicate overrides, but without any explanations. As a result, there has been a steady increase in the number of pending invoices over the past fiscal year, causing significant delays in invoice payments.

To alleviate this problem, the analyst will use the following three-step approach to review and approve all TCM invoices.

Step 1:

The coordinator submits the invoice. If the invoice contains unexplained overrides, the analyst will notify the coordinator by e-mail and request an explanation.

Step 2:

If the unexplained overrides identified in the first e-mail are not corrected within two weeks, the analyst will notify the coordinator a second time, both by e-mail and by telephone, and request an explanation.

All Local Government Agencies (LGAs)
Target Case Management (TCM) Coordinators
Page 2

Step 3:

If the unexplained overrides have not been resolved within one additional week, the analyst will deny the encounters associated with the overrides, and approve the remainder of the invoice. The analyst will notify the coordinator that the encounters were denied and that the invoice was revised.

DHS has adopted this policy to diminish the number of backlogged invoices and to facilitate timely payment of the LGAs' claims.

If you have any questions, please contact Elizabeth Touhey, Chief of the Administrative Claiming Policy and Systems Unit at (916) 657-0716, or by e-mail at Etouhey@dhs.ca.gov.

Sincerely,

Original signed by P. Morrison

Patricia L. Morrison, Chief Administrative Claiming and Support Section

Medi-Cal Administrative Activities:

Targeted Case Management: X

Policy Effective Date: November 1, 2001

Policy Reference:

cc: Linda Minamoto

Associate Regional Administrator Division of Medicaid – Region IX

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