

**LEA Medi-Cal Billing Option Program  
Claims Processing Issues**

	<b>Issue Description</b>	<b>Status</b>	<b>EPC <sup>(1) (2)</sup></b>
<b>1</b>	<b>Federal Medical Assistance Percentage (FMAP):</b> Claims paid at incorrect FMAP rate. LEAs were reimbursed 100% of the maximum allowable rate, (instead of 50%) for warrant dates prior to November 13, 2006.	Resolved Issue as of 11/6/2006	Implemented: 12/26/2007
<b>2</b>	<b>National Code 96100 (Code Terminated 10/31/06, Replaced with 96101):</b> Claims billed with 96100 after October 31, 2006 with dates of service prior to October 31, 2006 were incorrectly reimbursed at the IEP/IFSP amended psychological assessment maximum allowable rate.	Resolved Issue as of 6/25/2007	Implemented: 12/26/2007
<b>3</b>	<b>National Code 96101 (Effective for Dates of Service 11/1/06):</b> Claims billed with 96101 with dates of service prior to November 1, 2006 were incorrectly reimbursed and should be legitimately denied.	Resolved Issue as of 6/25/2007	No impact on paid claims.
<b>4</b>	<b>Timeliness Cutbacks:</b> Claims with dates of service on or after January 1, 2007 are no longer subject to timeliness cutbacks. Claims with dates of service prior to January 1, 2007 are subject to timeliness cutbacks.	Resolved Issue as of 6/25/2007	To determine the necessity of a subsequent EPC based on “clean up” issues.
<b>5</b>	<b>Local Code End Date Error:</b> Claims billed with local codes for dates of service on June 30, 2006 were incorrectly denied.	Resolved Issue as of 10/1/2007	Implemented: 2/29/2008
<b>6</b>	<b>Incorrect RAD Code Associated with Legitimate Denials:</b> Claims are currently limited to at the maximum daily utilization control for treatment services and an incorrect RAD code 9173 (LEA services are limited to 24 occurrences per year) is associated with the legitimate denials. Claims should be denied with RAD code 9162 (LEA services exceed the maximum units allowed per day).	Resolved Issue as of 11/29/2007	No impact on paid claims.
<b>7</b>	<b>IEP/IFSP Amended Assessment Denials:</b> Amended assessments billed with national codes were incorrectly denied with RAD codes 9863 and 9656 due to the lack of initial/triennial or annual assessment history.	Resolved Issue as of 1/28/2008 <sup>(3)</sup>	Estimated EPC: TBD
<b>8</b>	<b>Treatment Service Denials:</b> Treatment service claims are currently being incorrectly denied with RAD code 0010, indicating the treatment service is a duplicate of a previously paid claim.	Resolved Issue as of 1/28/2008	Estimated EPC: Summer 2008
<b>9</b>	<b>Targeted Case Management (TCM) Service Denials:</b> TCM claims billed with code T1017 are potentially denying incorrectly with RAD codes 0008 and 0065, indicating the provider is not eligible to provide the service. If the LEA has submitted a TCM Labor Survey they should be able to bill for TCM services.	Resolved Issue for First Set of LEAs: 3/28/2008 Estimated Resolution for Remaining LEAs: Summer 2008	Estimated EPC for First Set of LEAs: July 2008 Estimated EPC for Remaining LEAs: Summer 2008

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<b>10</b>	<b>Managed Care 96101 Denials:</b> Claims billed with 96101 were incorrectly denied with RAD code 0037 for IEP/IFSP beneficiaries due to managed care eligibility.	Resolved Issue as of 5/1/2008	Implemented: 6/6/2008
<b>11</b>	<b>Managed Care Denials:</b> Claims were incorrectly denied with RAD code 0037 for IEP/IFSP beneficiaries due to managed care eligibility.	Estimated Resolution: Late June 2008	Estimated EPC: Summer 2008
<b>12</b>	<b>Other Health Coverage (OHC) Denials:</b> Claims denied with RAD codes indicating that OHCs must be billed first (e.g., 0311 and 0657) may not be legitimate denials.	Estimated Resolution: Late June 2008	Estimated EPC: Summer 2008
<b>13</b>	<b>Additional Treatment Service Unit Cut Backs:</b> Additional treatment service claims billed with modifier 22 are currently being incorrectly limited to less than 21 additional units of service (RAD code 0435).	Estimated Resolution: Late June 2008	Estimated EPC: Summer 2008
<b>14</b>	<b>Reimbursement of Initial Treatment Services:</b> Initial treatment services are currently being incorrectly reimbursed at the maximum allowable rate multiplied by the number of units billed. Initial treatment services should be reimbursed at one maximum allowable initial treatment service rate regardless of the number of units billed (1, 2, or 3).	Estimated Resolution: Late June 2008	Implemented: 12/26/2007 for payments through 10/9/2006; Estimated EPC for payments after 10/9/2006: Summer 2008
<b>15</b>	<b>National Codes 96150 and 96151 Unit Cut Backs:</b> Codes 96150 and 96151 are used for both IEP/IFSP and non-IEP/IFSP assessments. IEP/IFSP assessments are incorrectly cut back to a maximum of four units (the non-IEP/IFSP maximum units per day utilization control).	Estimated Resolution: Late June 2008	Estimated EPC: Summer 2008
<b>16</b>	<b>Reimbursement Based on Modifiers:</b> Claims with incorrect or invalid procedure code and modifier combinations are incorrectly reimbursed at a “basic rate” and should be legitimately denied due to improper billing.	Estimated Resolution: Late June 2008	Estimated EPC: Summer 2008
<b>17</b>	<b>IEP/IFSP Services Limited to 24 Per Year Error:</b> Some claims billed with local codes and YX modifier are incorrectly denied with RAD code 9173, indicating services are being capped at the non-IEP/IFSP yearly utilization control of 24 services per year. This issue appears to be limited to one LEA, where the billing software is dropping the YX modifier.	Resolution in Process	TBD

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General Note: Final resolution of certain Erroneous Payment Corrections (EPCs) for some claims issues are dependent on other future claims resolutions due to their interrelated nature. Therefore, some EPCs will not be implemented until claims can be reprocessed and paid at the correct rate and number of units.

### Notes:

- (1) Claims processing errors that may result in EPCs for claims overpaid/underpaid or denied in error will be corrected. Due to the conversion from legacy SS provider numbers to National Provider Identifiers (NPIs), LEAs may have denied/erroneously paid claims that require EPC reprocessing under both their legacy provider and NPI numbers. Outstanding debts were originally established in an Accounts Receivable (A/R) under legacy provider numbers and were then transferred to the LEA's NPI number. In this case, positive payouts for claims reprocessed under legacy provider numbers cannot be directly applied to the outstanding balance in their NPI A/R and will result in a check written to LEAs. Positive payouts for claims reprocessed under NPIs will offset their outstanding NPI A/R, if applicable.
- (2) EPCs estimated for Summer 2008 will be subject to the state no-budget period; therefore payments may be held until the new state budget is passed.
- (3) Current utilization control policy is in the process of revision.