

# AUDITS & INVESTIGATIONS: UPDATES

Presented by Audits and Investigations, Financial Audits Branch,  
Federally Qualified Health Centers/Rural Health Clinics Section

Raj Khela, Health Program Auditor

Allison Clinton, Health Program Auditor

# OVERVIEW

- Annual Reconciliation Request
  - Reconciliation process
  - Internet forms
  - Electronic submission
  - Reminders on information provided on forms
- Code 2, 18 and 20 Rates
  - Establish/update rates
  - Importance of updating rates
  - Impact of Medicare PPS rate on Reconciliation reimbursement
- Billing issues
  - Billing code 2 and 18
  - Group Therapy
- Update on two visit per day system correction

# Reconciliation Request Forms

- Retro Code 02 Reconciliation Requests are complete!
  - The Reconciliation Request Forms (DHCS Form 3097) have been updated to include MOA providers.
- Forms and instructions are located on our webpage at <http://www.dhcs.ca.gov/formsandpubs/forms/Pages/AuditsInvestigationsForms.aspx>

# Reconciliation Request Forms (continued)

- Requirements
  - Due within 150 days of facilities fiscal year end (annually)
  - Required to file forms
  - If the clinic requires additional time, the clinic may contact A&I via e-mail for an extension (e-mail address [Reconciliationclinics@dhcs.ca.gov](mailto:Reconciliationclinics@dhcs.ca.gov)).
- Electronic submission
  - A letter will be mailed to all providers with instructions for electronically submitting Reconciliations request.
  - Electronic submission instructions will be posted to A&I's webpage for future reference.

# Information Reported on Reconciliation Request Forms

- Information on Reconciliation forms
  - Code 18 Managed Care Plan Payments – Include all plan payments (capitated and fee-for-service).
  - Incentive payments do not need to be included.
  - Include any Medicare payments you receive for patients that are in a Medi-Cal managed care plan. There is a column on the forms for this information.
- Auditor reconciles to Xerox Paid Claims Summary Report.

# Paid Claims Data

Providers can order payment data from the Department of Health Care's fiscal intermediary, ACS Xerox by either calling 1-800-541-5555 or by emailing their request to [cdorders@xerox.com](mailto:cdorders@xerox.com).

- It is a good idea to order payment data for the following reasons:
  - ✓ To ensure the visits and payments in your system matches what has been adjudicated by ACS Xerox.
  - ✓ If there are any variances found on the payment data you will have time to either bill or rebill for the visits that have been denied or appeal the denials through Xerox's appeal process.
  - ✓ A&I does not have the ability to adjudicate patient claims.
  - ✓ Please note, there is a cost associated in ordering payment data.

# Reconciliation Request Audit

- The Reconciliation Request forms are subject to audit. This may be a desk or field audit.
- A provider must maintain supporting documentation for reported visits/payments (i.e. remittance advices, explanation of benefits, managed care plans documentation to support reported payments).
- An Auditor may complete a billing review.
- All reported Medi-Cal Visits and Payments will be reconciled to the adjudicated visits compiled by the fiscal intermediary.
- If the auditor makes adjustments to the reported reconciliation request, a 15 day letter will be sent.
  - Provider has 15 days to provide additional data for consideration prior to finalization.
  - It is important to call the Auditor noted on the letter if there are any questions or concerns regarding adjustments.
- After the final audit report is issued, you have 60 days to appeal any adjustments that you disagree with.

# Updating Code 2, 18 and 20 Rates

- Important to develop Code 2, 18 and 20 rate that creates the smallest differences between the payments received and the PPS Rate/MOA Rate.
- Adjustments to the differential rates may be requested at any time.
- ‘Request to Update Rates’ (page 3) is included in the annual reconciliation request forms found on our website.
- Use form DHCS 3100 (code 18) and 3104 (code 20) to establish or update rates. For Code 02 please contact [clinics@dhcs.ca.gov](mailto:clinics@dhcs.ca.gov) to request a rate update.
  - Use at least three months of payments/visits data when completing the DHCS form 3100 and 3104.

# Medicare PPS for FQHCs: Impact on Medi-Cal Reconciliation

- The Medicare FQHC PPS Rate will affect Medi-Cal Differential Rates: Code 2, Code 18 (managed care wrap-around rate), and Code 20 (Medicare Advantage Plan – capitated plans only)
- Medicare PPS for FQHCs
  - Medicare implemented a PPS reimbursement in October 2014
  - The Medicare PPS is expected to increase Medicare reimbursement

# Medicare PPS for FQHCs: Impact on Medi-Cal Reconciliation (continued)

## – Higher Medicare reimbursement will affect Medi-Cal Differential Rates

- ✓ IMPORTANT: Providers need to request their differential rates to be adjusted accordingly.
- ✓ If these differential rates are not adjusted accordingly, the providers will receive higher interim Medi-Cal reimbursement.
  - During A&I's reconciliation settlement process, providers will owe the State the overpayments received due to inaccurate and high Medi-Cal differential rates.
- ✓ Maintaining records and supporting documentation is important.

# Billing for Medicare Beneficiaries

- If a Medi-Cal beneficiary also has Medicare coverage then use the following table to determine which billing code to use. For regular Medi-Cal / Medicare crossovers, bill a Code 02.
- If the beneficiary is enrolled in Medicare and a Medi-Cal Managed Care Plan bill code 18.
- If the Primary Payer is a Medicare Advantage Plan (MAP) then follow the chart below:

Type of MAP Arrangement	Type of Medi-Cal Arrangement	Use Billing Code
<b>PRIMARY PAYER</b>	SECONDARY PAYER	
Medicare Advantage Plan • Capitated Arrangement	Medi-Cal • Non-Managed Care	Code 20
Medicare Advantage Plan • Fee for Service Arrangement	Medi-Cal • Non-Managed Care	Code 02
Medicare Advantage Plan • Capitated Arrangement	Medi-Cal • Managed Care	Code 18
Medicare Advantage Plan • Fee for Service Arrangement	Medi-Cal • Managed Care	Code 18

# Billing Medi-Cal

- Codes 11 through 17 are only used when the Medi-Cal managed care plan does not cover the service. The managed care plans should cover mental health services; therefore, codes 11-13 are no longer necessary.
- Review the Medi-Cal billing manual for more information.
- Group therapy – Only 1 visit per therapy session should be billed to Medi-Cal.

# Two Visit Per Day

- Claims are denying when billing a mental health or dental and Medical visit on the same day under code 18.
- The Operation Instruction Letter (OIL) has been submitted to DHCS – CA-MMIS Division for implementation.
- The correction should be complete soon.
- Xerox will run an Erroneous Payment Correction (EPC) for all claims denied for billing two visits on the same day.

# Resources

- Paid Claims Reports may be requested from DHCS' fiscal intermediary
  - ✓ By calling 1-800-541-5555
  - ✓ By Emailing [cdorders@xerox.com](mailto:cdorders@xerox.com)
  - ✓ Note: A cost is associated with the request
  - ✓ To check on the status of a submitted claim, a provider may log on to the Medi-Cal website at [www.medi-cal.ca.gov](http://www.medi-cal.ca.gov), click on to the Transactions Tab at the top of the page > log on with provider's NPI # and PIN > click on "Automated Provider Services" > select "Claim Status"
- Reconciliation related questions may be emailed to [reconciliationclinics@dhcs.ca.gov](mailto:reconciliationclinics@dhcs.ca.gov)
- General IHS/MOA questions may be emailed to [clinics@dhcs.ca.gov](mailto:clinics@dhcs.ca.gov)
- For billing questions, contact ACS Xerox at 1-800-541-5555
- DHCS Primary, Rural, and Indian Health Division, Indian Health Program website:  
<http://www.dhcs.ca.gov/services/rural/Pages/IndianHealthProgram.aspx>

# A & I Contact Information & Upcoming Trainings

- A&I, FQHC/RHC Section email: [clinics@dhcs.ca.gov](mailto:clinics@dhcs.ca.gov)
- A&I, FQHC/RHC Section Reconciliation email: [Reconciliationclinics@dhcs.ca.gov](mailto:Reconciliationclinics@dhcs.ca.gov)
- To view a webinar on the reconciliation process for IHS/MOA providers please visit: <http://www.dhcs.ca.gov/services/rural/Pages/PRHMeetingsandWebinars.aspx>
- To learn more about Medi-Cal, you may access Xerox's Medi-Cal Learning Portal at: <https://learn.medi-cal.ca.gov/>

# QUESTIONS