

MEDI-CAL BILLING AND RECONCILIATION WEBINAR FOR CODES 18, 19 AND 20

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OBJECTIVES

- Purpose and process for establishing a code 18 and 20 rate
- General overview of code 19 (in transition)
- General overview of reconciliation request
- What to expect during an audit

PURPOSE OF CODE 18 (DIFFERENTIAL RATE)

- The managed care differential rate¹ was established to comply with federal and state regulation² to reimburse a provider for the difference between their PPS rate (MOA Rate³) and their Medi-Cal managed care reimbursement
- Billing Code 18 reimburses providers on an interim basis the estimated amount payable for Medi-Cal managed care visits

1. Differential rate is also referred to as wrap-around/code 18 rate
2. W&I Code Section 14132.100(h)
3. MOA Rate applies to Indian Health Providers only

ESTABLISHING A CODE 18 RATE (DIFFERENTIAL RATE)

- Complete DHCS Form 3100 to establish code 18 rate (differential rate)
- Forms and instructions are located on our webpage <http://www.dhcs.ca.gov/formsandpubs/forms/pages/AuditsInvestigationsForms.aspx>

COMPLETING DHCS FORM 3100

- Certification Sheet (see attachment)
 - Clinic Name, NPI Number, Address, Signature certifying the information is true and correct etc.
- Page 1
 - Visit and payment information
 - Important to include all payments (capitated/fee-for-service/Medicare)
 - Do not include incentive payments
 - Actual or projected data
 - If use projected data need to resubmit form 3100 after receive three months of actual claims
 - If don't have projected data code 18 rate will be set at \$25 until three months of actual data is received

EXAMPLE OF CALCULATION OF CODE 18 RATE (DIFFERENTIAL RATE)

PPS rate (MOA rate)	\$125
Less: weighted average MC plan pmts per visit*	<u>\$ 50</u>
Code 18 rate (differential rate)	\$ 75

*Calculated using data submitted on DHCS form 3100

ESTABLISHING CODE 18 RATE (DIFFERENTIAL RATE)

- Important to develop code 18 rate that creates the smallest differences between the payments received and the PPS rate (MOA rate). We would like to see reconciliation settlement as small as possible
- Use accurate data when filling out the DHCS form 3100
- Use at least three months of payments/visits data when filling out DHCS form 3100

TRANSITIONING TO MEDI-CAL MANAGED CARE

- Mass update of all FQHC/RHC/MOA providers that do not currently have a code 18 rate established
- Set interim code 18 rate at \$1 until receive DHCS form 3100
- Provider must have a code 18 rate established in the provider master file system to bill or claims will be denied

PURPOSE OF CODE 20 (MAP)

- The Medicare Advantage Plan (MAP) forms are designed to establish a MAP rate that reimburses a provider for the difference between their prospective payment system (PPS) rate (MOA Rate) and their capitated Medicare Advantage Plan (MAP) payments

ESTABLISHING A CODE 20 RATE (MAP)

- Complete DHCS Form 3104 to establish a code 20 rate (MAP)
- Forms and instructions are located on our webpage <http://www.dhcs.ca.gov/formsandpubs/forms/Pages/AuditsInvestigationsForms.aspx>

COMPLETING DHCS FORM 3104 FOR CODE 20 (MAP)

- Certification Sheet (see attachment)
 - Clinic Name, NPI Number, Address, Signature certifying the information is true and correct etc.
- Page 1
 - Visit and payment information

CALCULATION OF CODE 20 (MAP) RATE

PPS Rate	\$125
Less: Average MAP Capitated Payments*	<u>\$ 75</u>
Code 20 Rate	\$ 50

*\$15,000 (Total Capitated MAP Payments) / 200 (total visits for beneficiaries in a capitated MAP) = \$75 average MAP capitated payments

CODE 19 HEALTHY FAMILIES PROGRAM

- The Healthy Families Code 19 Rate was established to comply with federal and state regulation to reimburse a provider for the difference between their PPS rate (MOA rate) and their Healthy Families Program Payments
- Complete DHCS Form 3105 to establish code 19 rate
- Forms and instructions are located on our webpage <http://www.dhcs.ca.gov/formsandpubs/forms/Pages/AuditsInvestigationsForms.aspx>
- Currently an Annual Reconciliation Request is required to reconcile the final payment to the clinic based on actual data until Medi-Cal transition takes place in 2013

BILLING OF CODES 18, 19 AND 20

BILLING CODE 18, 19 AND 20 TO FISCAL INTERMEDIARY

- Once code 18, 19 and 20 rates are established provider should bill simultaneously to Fiscal Intermediary (Xerox) and any other payer source (i.e. Medicare, MC Plan, MAP Plan)
- Providers should **only** bill Medi-Cal for services that meet the definition of a “visit” per statute and the State Plan Amendment (SPA)
- **Only adjudicated claims will be reconciled**

BILLING CODE 18 (DIFFERENTIAL RATE)

Billing Codes

- Codes 11 to 13 – Mental Health Services
 - Code 14 – Marriage Family Child Counselor (MOA Providers Only)
 - Codes 15 to 17 – Acupuncture/Chiropractor/Heroin Detox
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- Only bill these codes when the service is carved out of the Managed Care Contract
 - Paid at Full PPS Rate/MOA Rate

Can find detail on billing codes in your program billing manual

RECONCILIATION REQUEST
REVIEW (FORM 3097)

EXAMPLE OF MANAGED CARE CODE 18 (DIFFERENTIAL RATE) FOR ONE VISIT

PPS Rate (MOA Rate)	\$125
Less: Managed Care Plan Payment	\$ 45
Less: Code 18 Payment	<u>\$ 75</u>
Annual Reconciliation Settlement	\$ 5

ANNUAL RECONCILIATION REQUEST

- Forms and instructions are located at <http://www.dhcs.ca.gov/formsandpubs/forms/Pages/AuditsInvestigationsForms.aspx>
- **Due annually within 150 days after your fiscal year end**
- If not received timely clinic is put on payment withhold until forms are received
- The reconciliation request forms are subject to audit

ACCEPTANCE OF RECONCILIATION

- Auditor reviews reconciliation when received to ensure forms are complete
- A 60% tentative settlement is paid to the provider if the amount is due to the clinic at auditors discretion

REQUEST TO UPDATE INTERIM RATES

- Can request to update your code 18, 19 and 20 rates annually when you file the reconciliation request
- When to request a change
 - If have any changes to your Medi-Cal managed care plans (i.e. new plan, negotiate new rate)
 - If the settlement amount is a material amount due the state/clinic you will want to request a decrease/increase to your interim rate
- Review each code individually and determine if it should be adjusted

AUDIT OF RECONCILIATION REQUESTS

- May be a desk audit or a field audit
- Department has three years from the date the Department receives the forms to audit
- Must maintain all documentation to support reported visits/payments (i.e. remittance advices, explanation of benefits, documentation from the managed care plans supporting payments)
- Auditor may complete a billing review
- Reconcile to the fiscal intermediaries Paid Claims Summary Report (PCSR Report)

CONTACT INFORMATION

For questions related to the reconciliation process mailbox
reconciliation.clinics@dhcs.ca.gov

General FQHC questions mailbox
clinics@dhcs.ca.gov

For billing questions contact Xerox at
1-800-541-5555