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MCO Communication Bulletin #J113

Date: December 23, 2014

To: LME-MCOs

From: Mabel McGlothlen, LME System Performance Team Leader, DMH/DD/SAS, and Kathy Nichols, Lead Waiver Program Manager, Contracts Section, DMA

Subject: Timely Filing

NCTracks claims are the primary and most critical source of information that DMH/DD/SAS uses for monitoring service utilization, planning, and reporting to DHHS, the General Assembly, and the Federal Government. For LME-MCOs, claims are required to earn Federal Unit Cost Reimbursement (UCR) dollars and are used for settlement of single stream payments. Utilization of both State and Federal funds usually has a direct relationship to the availability of such funding in the future. We cannot shift funds to ensure full utilization of 3-way bed funds without adjudicated claims in NCTracks, nor could we report to the General Assembly or the Office of State Budget and Management (OSBM) on utilization. Therefore, it is imperative that DMH/DD/SAS and LME-MCOs work together to ensure that submitted claims are successfully adjudicated to a Paid status in NCTracks, rather than denying. The state is currently working on a Change Service Request (CSR) to increase the length of the LME-MCO client ID to accommodate more digits, however, issues affecting the ability to add and update providers have been corrected. Many LME-MCOs have shown significant improvement in successfully submitting claims.

Our assumption is that LME-MCOs expect all submitted claims to adjudicate to a Paid status, if not immediately, then after working the denial reasons. Some errors are normal and expected, while some denied claims will appear to remain as denials even when a corrected claim has paid (i.e., the corrected information will be sufficiently different from the information on the denied claim that our algorithm for unduplicating denials will not be able to detect the correction).

Although timely filing was extended to December 31, 2014, we recognize that more time may be needed to submit claims. In order to help LME-MCOs improve their ability to work denied claims and successfully submit future claims, LME-MCOs are requested to submit a brief plan to DMH/DD/SAS containing the following components:

- A) Describe your current procedures and organizational structure for submitting claims and working denials (i.e., who is working the claims so we know who to contact).
- B) Evaluate how successfully you believe your current process is working. Since some LME-MCOs have denial rates under 10% while others are at 50%, we expect a range of response.
- C) Identify any current barriers that are negatively affecting your ability to successful bill and work denials (for example: not enough staff, internal coordination challenges, MIS issues, insufficient knowledge of NCTracks, or problems communicating successfully with CSC or the State).
- D) Propose a plan of action to address any barriers or deficiencies in your current processes. What do you intend to do to overcome these problems? How can we help? Consider whether you want to consult with LME-MCOs that are having greater success or whether to request assistance from DMH/DD/SAS.
- E) Tell us how long you will need to get your denial rates below 10%. Remember, DMH/DD/SAS expects all services to be submitted as claims, regardless of the manner you contract and pay your providers. For instance, if you pay a provider a fixed amount per month to deliver a service in our array of services, we still expect you to capture and report claims for the services that are delivered by that provider.
- F) As correct 3-way contract billing is an especially sensitive concern, please make sure your plan addresses any ways processing these claims is different from claims for other services. Priority should also be given in the plan of correction to correctly submitting and working denials for 3-way claims (YP821 and YP822).

Additionally, we strongly encourage you to notify providers of the change implemented in NCTracks that allows providers to correct their data. Provider participation in this effort is key to ensuring claims are submitted accurately and accepted in NCTracks.

The Division will use your responses to evaluate the timely filing cut-off for SFY2014 service and to coordinate assistance to LMEs. Please submit your report to Kent.woodson@dhhs.nc.gov by January 15, 2014. For questions, please contact Kent at 919-733-7013. Note, regardless of how long timely filing is extended, LME-MCOs that are ready may request that the SFY2014 settlement process begin. Contact Kent to discuss this option.

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