# MEDICAID CLAIMS READJUDICATION UPDATE
# FOR ALL ARTICLE 31 MENTAL HEALTH CLINICS
# May 23, 2013

## The readjudication process is set to begin with Cycle 1867.

## There will be no further delays.

**Please read this announcement carefully. There are specific instructions and deadlines that must be followed for providers to receive the money they are due and/or minimize the financial recoveries by Medicaid.**

- In this document you will find information on:
  - When the clinic readjudication process will begin, with examples
  - Deadlines and information on how to submit the Health Services and Off-site rate coded claims (Rate Codes: 1474, 1477, 1507, 1513, 1519, 1525, 1588, 1591) with dates of service October 1, 2010 – December 31, 2011
  - Delay Reason Codes to be submitted with different types of claims
  - Adding modifiers to claims
  - $3 co-pay issue for dates of service January 1, 2012 – mid-April 2012

## The Readjudication Process

The readjudication process for OMH-licensed clinic claims with dates of service of October 1, 2010 through December 31, 2011 is scheduled to begin with Cycle 1867. The monetary impacts will begin to be reflected in remittance statements and checks dated June 3, 2013. Below is a summary of what providers can expect when the readjudication process begins.

Readjudication will begin for Medicaid fee-for-service claims with dates of service of October 1, 2010 and proceed chronologically based on date of service. eMedNY will reprocess two weeks of older claims in every current cycle. Cycles are weekly, starting on Thursday and ending at 11:59PM Wednesday the following week. OMH expects that the total readjudication process will take about 8 months to complete. A schedule of the readjudication by cycle number is at the bottom of this document.

The remittance statements will include the readjudicated claims mixed-in with the current claims. However, the reprocessed, special input claims will have the edit 01999 so that providers will be able to tell the difference between their submitted claims and the old claims. Additionally, the remittance will contain two consecutive lines for each readjudicated claim. The first line will have a '1' as the last digit of the TCN reflecting "Debit", meaning that claim has been voided. The second line will have a '2' as the last digit of the TCN reflecting "Credit", meaning the claim has been readjudicated.

**Please note:** As the older claims are reprocessed, the time for submitting any adjustments to those claims begins. For example, if a claim from the first cycle of reprocessed claims must be amended, the

clinic must make the adjustment to the amended claim (most current TCN #) **within 60 days of the remittance date**. Clinics must include **Reason Code 11 – Other**. **Reason Code 11 is used for amended claims only.**

Below is the crosswalk between clinic interim billing rate codes and the Part 599 APG clinic rate codes. There are three possible claim scenarios for readjudication; all are described in the examples below using the first year of transition (October 1, 2010 – September 30, 2011) calculation: 75% Blend, 25% APG. (Claims with dates of service between October 1, 2011 and December 31, 2011 will be paid at the second year of transition calculation: 50% Blend, 50% APG.)

| **Crosswalk "Interim Billing" OMH Clinic Rate Codes to APG Rate Codes** | | |
|---|---|---|
| **Old Rate Code** | **APG Rate Code (non-hospital)** | **APG Rate Code (hospital)** |
| 4301 – Regular | 1504 – Base Rate | 1516 – Base Rate |
| 4302 – Brief | 1504 – Base Rate | 1516 – Base Rate |
| 4303 – Group | 1504 – Base Rate | 1516 – Base Rate |
| 4304 – Collateral | 1504 – Base Rate | 1516 – Base Rate |
| 4305 – Group Collateral | 1504 – Base Rate | 1516 – Base Rate |
| 4306 – Crisis | 1579 – Crisis | 1576 - Crisis |
| 4601 – SED Regular | 1510 – SED Base Rate | 1522 – SED Base Rate |
| 4602 – SED Brief | 1510 – SED Base Rate | 1522 – SED Base Rate |
| 4603 – SED Group | 1510 – SED Base Rate | 1522 – SED Base Rate |
| 4604 – SED Collateral | 1510 – SED Base Rate | 1522 – SED Base Rate |
| 4605 – SED Group Collateral | 1510 – SED Base Rate | 1522 – SED Base Rate |
| 4606 – SED Crisis | 1585 – SED Crisis | 1582 – SED Crisis |

## Example 1 – Converting a claim with one service

Converting a claim with one service is very straightforward. DOH will substitute the new APG rate code for the interim code that was placed on the original claim and then recalculate payment.

Example: On October 1, 2010, a 45-minute Psychotherapy was provided by a free-standing Part 599 OMH-licensed clinic using rate code 4301 with CPT code 90806. Medicaid paid the value of a 4301 rate coded service (base rate + COPS+CSP). Upon readjudication the paid 4301 claim will be converted to APG rate code 1504. The recalculated Medicaid payment amount will consist of 75% of the legacy blend payment and 25% of the APG payment for this procedure. Additionally, 25% of the CSP amount will be distributed in the capital line of the Medicaid remittance.

If after the readjudication the clinic provider is due additional reimbursement from Medicaid for that claim, they will receive the difference in their next Medicaid payment. If the clinic owes Medicaid, the difference will be recouped ***in full*** from their next Medicaid payment.

## Example 2 – Converting one claim with multiple CPT codes (including 99051 for after-hours modifier)

Converting this type of claim is also straightforward:

Example: On October 1, 2010, a 30-minute Psychotherapy and a Psychotropic Medication Treatment were provided and claimed to Medicaid by an OMH-licensed free-standing clinic using rate code 4301 with CPT codes 90804 and 90862. (This example applies when two procedures were delivered on the same day, but only one claim could be paid under the previous regulations.) The clinic provider was initially paid by Medicaid the amount reimbursed for a 4301 rate code (base rate + COPS+CSP). Upon readjudication, the paid 4301 claim will be converted to an APG claim with rate code 1504. The psychotherapy service (90804) in Year 1 of the APG transition is a Blend service, so the recalculated Medicaid payment will be the combination of the legacy portion of payment (75%) and APG portion of payment (25%) for that procedure code. Additionally, 25% of the CSP (if applicable) will be paid through the capital line of the Medicaid remittance (the other 75% of the CSP is included in the Blend). Since the Medication Treatment service is a no-blend service (Full), the clinic will also be paid the Full APG portion of payment for this service. A 10% discount will be taken from the Psychotherapy service as it is the lower weighted of the two services provided in the day. The additional payment or recoupment is the same as Example 1.

## Example 3 – Converting multiple same-day claims into one APG claim

Converting these claims requires a little more explanation:

Example: On October 1, 2010, a 30-minute Psychotherapy and a 60-minute Family and Client session were provided by an OMH-licensed free-standing clinic. Two claims were submitted with two different rate codes, 4301 and 4304. Both claims included CPT codes 90804 and 90847. Both claims were paid using the interim payment methodology. The clinic received the base Medicaid rate plus COPS and CSP (if applicable) for each. Upon readjudication the first of the two claims received by eMedNY will be converted to APG rate code 1504. The second claim received will not go through the APG grouper (more on that claim below). The Medicaid payment for the accepted claim will be the combination of 75% of the legacy blend and 25% of the APG payment and 25% of the CSP on the capital line of the Medicaid remittance for the higher weighted service (90847). The lower weighted code (90804) will receive 25% of the APG portion of payment with a 10% discount as the second service provided on a day. Again, the clinic will receive the "net" adjustment after the claim is readjudicated (either additional reimbursement or recoupment).

The 2nd claim originally paid by eMedNY will be not be readjudicated **it will deny**. However, it will remain a paid claim until such time that OMH retroactively "zeros-out" the 4300/4600 series of rate codes. Once the rate codes are set to zero dollars (when all claims have been reprocessed (about a year from now)), ***the entire amount from all 2nd same-day claims (from 10/1/10-12/31/11) will be recouped.*** ***Please note:*** When a negative balance results from a retroactive rate change (such as zeroing out the rates), the eMedNY system will recoup 15% of the cycle check to offset the account receivable. If the entire balance is not satisfied within ten weeks, interest will be charged.

Clinics have two options, either wait for the total value of the claims to be taken back (if using this option the agency should make provision for this Medicaid recovery) or the clinic may periodically void the 2nd same-day claims as they are readjudicated. If the clinic elects to void the second claim, Medicaid will also immediately recover the paid value of that claim, but this option could make the recoupment easier for a clinic by spreading it out over a period of time.

## Claims submitted with Health Services and Off-site Rate Codes – Less than 2 years old

During the interim billing period October 1, 2010 through December 31, 2011, OMH instructed providers to hold all claims that were to be submitted under the Health Services rate codes (1474, 1477, 1588, 1591) or off-site rate codes (1507, 1513, 1519, 1525). eMedNY is now able to accept these claims. All of these claims must be submitted now. **Clinics have until June 30, 2013 to submit these held claims using Reason Code 3 – Administrative Delay**. **Reason Code 3 must be used for original claims.**

## Claims submitted with Health Services and Off-site Rate Codes – Older than 2 years

Claims using Health Services rate codes (1474, 1477, 1588, 1591) or off-site rate codes (1507, 1513, 1519, 1525) that are older than 2 years require special handling. **These older claims must be submitted by June 30, 2013 using Reason Code 3 – Administrative Delay**. All of these older claims will initially deny. Once they are in the eMedNY system as denials, the Department of Health will do a special one-time extraction of the claims which will bypass the 2-year edit. **If you do not submit payable claims by June 30, 2013, they will not be eligible for special processing or reimbursement.** There will be no exceptions.

## Modifiers

Modifiers included on claims for dates of service October 1, 2010 through December 31, 2011 will be paid during readjudication. If, for whatever reason, the appropriate modifiers were not included on the original claims you have two options. You can adjust your claims to add the modifiers before they are readjudicated or you can adjust your readjudicated claims to add the modifier later. **However, once claims are readjudicated, clinics will have 60 days from the remittance date to make any amendments using Reason Code 11 – Other.**

## $3 Co-Pay Problem from early 2012

When APGs went into effect on January 1, 2012 there was a technical problem with eMedNY that resulted in the $3.00 co-pay being withheld by Medicaid for OMH-licensed clinic claims that did not include an exception code (SA Code 7). The problem was fixed in mid-April 2012 but the affected claims with dates of service between January and April were never reprocessed.

DOH will not be reprocessing those claims until ***after*** the readjudication of all APG claims has been completed. However, clinics have the option to adjust their affected claims now by resubmitting those claims as adjustments, using **Reason Code 11 – Other**. **If clinics decide to amend these claims rather than wait, they must do so within 60 days from the date of this notice.** Whether or not to wait is up to the clinic to decide.

**Please keep a copy of this notice in your records in case of audit.** Information regarding Delay Reason Codes may be found at:
http://www.health.ny.gov/health_care/medicaid/program/update/2012/march12mu.pdf.

If you have any questions regarding the readjudication process please do not hesitate to contact Gwen Diamond or John Roth at 518-474-6911. Thank you.

| OMH APG Readjudication Schedule (This schedule is subject to change) | | | |
|---|---|---|---|
| **Batch #** | **DOS Start Date** | **DOS End Date** | **Release Cycle** |
| **1** | 10/1/2010 | 10/14/2010 | 1867 |
| **2** | 10/15/2010 | 10/28/2010 | 1868 |
| **3** | 10/29/2010 | 11/11/2010 | 1869 |
| **4** | 11/12/2010 | 11/25/2010 | 1870 |
| **5** | 11/26/2010 | 12/9/2010 | 1871 |
| **6** | 12/10/2010 | 12/23/2010 | 1872 |
| **7** | 12/24/2010 | 1/6/2011 | 1873 |
| **8** | 1/7/2011 | 1/20/2011 | 1874 |
| **9** | 1/21/2011 | 2/3/2011 | 1875 |
| **10** | 2/4/2011 | 2/17/2011 | 1876 |
| **11** | 2/18/2011 | 3/3/2011 | 1877 |
| **12** | 3/4/2011 | 3/17/2011 | 1878 |
| **13** | 3/18/2011 | 3/31/2011 | 1879 |
| **14** | 4/1/2011 | 4/14/2011 | 1880 |
| **15** | 4/15/2011 | 4/28/2011 | 1881 |
| **16** | 4/29/2011 | 5/12/2011 | 1882 |
| **17** | 5/13/2011 | 5/26/2011 | 1883 |
| **18** | 5/27/2011 | 6/9/2011 | 1884 |
| **19** | 6/10/2011 | 6/23/2011 | 1885 |
| **20** | 6/24/2011 | 7/7/2011 | 1886 |
| **21** | 7/8/2011 | 7/21/2011 | 1887 |
| **22** | 7/22/2011 | 8/4/2011 | 1888 |
| **23** | 8/5/2011 | 8/18/2011 | 1889 |
| **24** | 8/19/2011 | 9/1/2011 | 1890 |
| **25** | 9/2/2011 | 9/15/2011 | 1891 |
| **26** | 9/16/2011 | 9/29/2011 | 1892 |
| **27** | 9/30/2011 | 10/13/2011 | 1893 |
| **28** | 10/14/2011 | 10/27/2011 | 1894 |
| **29** | 10/28/2011 | 11/10/2011 | 1895 |
| **30** | 11/11/2011 | 1124/11 | 1896 |
| **31** | 11/25/2011 | 12/8/2011 | 1897 |
| **32** | 12/9/2011 | 12/22/2011 | 1898 |
| **33** | 12/23/2011 | 12/31/2011 | 1899 |