Office of Mental Health and Substance Abuse Services
Bureau of Policy and Program Development

HealthChoices Behavioral Health

Policy Clarification

Issue Clarification #: 02-12	*Applicability: All Zones*
Date of Receipt: 03/18/12	*Source Documentation:*

Submitted by: ***Various Counties/BH-MCOs***
County Authority:
Topic Area: ***Retroactive Provider Rate Adjustment Process***

Question: What is the process to pay and report retroactive provider rate adjustments?

Background: Several BH-MCOs are faced with the need to pay retroactive rate adjustments on large numbers of Behavioral Health encounter records. For the most part, these encounters have been successfully submitted to PROMISe and would require an encounter adjustment. As a result, there is need to develop a streamlined retro-adjustment process that will not have a negative effect on the Plans' ability to pay current claims and report encounters to the Department. The OMHSAS originally issued this guidance on March 18, 2011, the effective date of this Policy Clarification.

OMHSAS Answer/Response: The OMHSAS has developed a process for the approval and reporting of these types of transactions. This process has two definite mandatory stipulations. First, this reporting process is **not** to be used for any adjustments to service utilization. Those types of adjustments must be done to encounters via PROMISe. Second, this adjustment process can be applied only to the dates of service within the **current contract period**. Performance incentives are to be reported in the financial reports under **Medical – Other** and not via any claim adjustments.

Attached is a file layout that must be used to report rate adjustments for specific classes of approved (aka PROMISe paid) encounters. The file layout includes information needed to accurately update and report rates, which in turn will make the data usable for rate setting, among other things. The file will be submitted to OMHSAS along with a retro-adjustment notification and will be used by both OMHSAS Data Analytics (to retrieve affected encounter records) and the DPW Enterprise Data Warehouse (EDW) (to update associated data fields). The EDW updates will typically

occur twice: once upon receipt from OMHSAS, and again at the end of the lock down period imposed by PROMISe (usually two years after the end of date of service).

To gain approval for the retro-adjustment submission, the MCO must submit a request to both OMHSAS Division of Medicaid Finance and the Division of Systems Management. The request must indicate if the adjustment is a one-time adjustment or an ongoing rate adjustment. For on- going adjustments, the expectation is that the new amount will be reflected in PROMISe submissions. The request must include the populated file per the file layout. This would include Provider MPI and Name, Provider Type and Specialty, time period, and the Service Array. By service array, we need to know if the adjustment applies to all outpatient services provided by a clinic, or for a specific service provided by the clinic. If it is a specific service, we would need to know the Procedure Code and Modifier combination; revenue code; the number of units; the total Paid Amount of the adjustment; the adjustment amount per unit; and the plan code to which the adjustment applies.

OMHSAS will examine the data for the provider that is in the data warehouse and compare units reported and approved in PROMISe against units identified in the request. An accuracy rate of 95% or greater is required. For example: If a BH-MCO indicates 10,000 units, and OMHSAS identifies 9,500 units, the submission of the file will be approved. If there is less than 95% accuracy between specified units and approved units within the enterprise data warehouse, the BH-MCO will be advised that submission of the adjustment file is not approved until encounter submissions are within a 5% difference. This mechanism will assist in providing assurance that data integrity is achieved, thereby having data that is usable for the rate calculations and reporting. Since this is an alternative to requiring the BH-MCO to adjust every affected encounter in PROMISe, the proposed solution seems to be the most reasonable method for accommodating submitter issues regarding time-consuming adjustments while maintaining some control over submitted encounter data.

Attachment

Director, Bureau of Policy and Program Development

Date: 5/3/12

PLAN CODE	ADJ TYPE ONGOING ONE TIME	PROVIDER MPI & SERVICE LOCATION	PROVIDER NAME	PRV TYPE	PRV SPEC	TIME PERIOD	SERVICES	PROC CODE	MODIFIERS	REV CODES	UNITS	AMT OF ADJ	TOT PD PER UNIT / ADJ AMT	GENDER	ADULT *	CHILD*

*Provide criteria for inclusion in child or adult category if appropriate

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