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Last Approved:	07/2018
Last Revised:	07/2018
Next Review:	07/2019
Owner:	<i>Bessie Tetteh: CIO</i>
Policy Area:	<i>Information Technology</i>
References:	

Claims Adjudication Policy

POLICY

It is the policy of the Detroit Wayne Mental Health Authority (DWMHA) to ensure that claims and encounters are adjudicated on a timely and consistent basis.

PURPOSE

It is crucial that claims and encounters are adjudicated in a timely and consistent basis to ensure that:

1. The providers in our networks are fairly compensated.
2. DWMHA has the necessary information concerning services and costs that can be used for submission to MDHHS.
3. DWMHA has the necessary information for contract compliance, Quality, Utilization Management and other reporting needs.

APPLICATION

1. This policy applies to the DWMHA, Managers of Comprehensive Provider Network (MCPNs), and their sub-contractors.
2. This policy serves the following populations: Adults, Children, I/DD, SMI/SEI, SED,SUD, Autism
3. This policy impacts the following **contracts/service lines**: MI-HEALTH LINK, Medicaid.SUD, Autism, Grants, General Fund

KEYWORDS

1. Claims Adjudication: The process through which claims and encounters that are submitted to an MCPN are scrutinized for benefit package/coverage requirements, completeness and accuracy to determine payment to a provider and/or cost of service.

STANDARDS

1. DWMHA, MCPNs, and their sub-contractors are responsible for adjudicating claims/encounters no less than twice a month.
2. DWMHA, MCPNs, and their sub-contractors must use a commercially available adjudication software

package.

3. DWMHA, MCPNs, and their sub-contractors must use a well-documented and tightly managed claims adjudication process with the ability to track systems and organization performance against established metrics.
4. DWMHA, MCPNs, and their sub-contractors must have a division of labor/responsibility between system/provider set-up and the processing & adjudication of claims (one person cannot set rates in the system and also adjudicate claims).
5. Claim payments must follow the scope of services in DWMHA, MCPNs, and their sub-contractors contract.
6. Claim payments must follow the rules in DWMHA Coding Manual.
7. DWMHA, MCPNs, and their sub-contractors must use HIPAA standard transactions in receiving and sending claims and payment information to their providers.
8. DWMHA, MCPNs, and their sub-contractors must have a standard set of edits to determine proper adjudication.
9. DWMHA, MCPNs, and their sub-contractors must produce an Explanation of Benefits document for at least 10% of the consumers that are served by its network.

QUALITY ASSURANCE/IMPROVEMENT

DWMHA shall review and monitor contractor adherence to this policy as one element in its network management program, and as one element of the QAPIP Goals and Objectives.

The MCPNs, their subcontractor's and direct contractor's quality improvement program must include measures for both the monitoring of and the continuous improvement of the program or process described in this policy.

COMPLIANCE WITH ALL APPLICABLE LAWS

DWMHA staff, MCPNs, their subcontractors, and direct contractors are bound by all applicable local, state, and federal laws, rules, regulations, and policies, all federal waiver requirements, state and county contractual requirements, policies and administrative directives in effect as may be amended. staff, MCPNs, contractors, and subcontractors are bound by all applicable local, state and federal laws, rules, regulations and policies, all federal waiver requirements, state and county contractual requirements, policies, and administrative directives, as amended.

LEGAL AUTHORITY

1. Michigan Mental Health Code Act 258, PA 258 of 1974, as revised
2. Department of Community Health Administrative Rules
3. MDHHS Contracts

RELATED POLICIES

N/A

RELATED DEPARTMENTS

1. Administration
2. Children's Initiative
3. Claims Management
4. Clinical Practice Improvement
5. Compliance
6. Contractors
7. Customer Service
8. DHS Outstation
9. Finance
10. Human Resources
11. Information Technology
12. Integrated Health Care
13. Interns
14. Legal
15. Managed Care Operations
16. Management & Budget
17. Office for Peer-Participation Advocacy
18. Purchasing
19. Quality Management
20. Recipient Rights
21. Substance Use Disorders
22. Utilization Management

COPY

CLINICAL POLICY

YES

INTERNAL/EXTERNAL POLICY

EXTERNAL

Attachments:

No Attachments

Approval Signatures

Approver

Date

Dana Lasenby: Chief Clinical Officer

07/2018

