



DEPARTMENT OF HEALTH AND HUMAN SERVICES

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*Division of Alcohol, Drug
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DATE: May 18, 2007

TO: Marin County Contracted Drug Medi-cal Providers

**SUBJECT: D/MC CLAIMS & REIMBURSEMENT
D/MC REIMBURSEMENT POLICY**

As you know, the Division has been working with the Department's Fiscal Division to develop a policy regarding Drug/Medi-Cal reimbursements that enables alcohol and drug program providers to receive payment for services rendered as quickly as possible, in addition to ensuring that the county receive reimbursement on approved claims. As I have shared with you in previous communications, revenue that is not received, is deducted from our current year State ADP allocation during the cost report settlement. It is imperative that you understand that denied claims, resulting in decreased revenue, affect our entire delivery system and is not backfilled with county general funds.

Attached you will find a packet of information specific to your agency that includes the following:

1. A Summary of Amounts paid to you based on monthly invoice claims, Amounts approved by the State and the Adjustment (or variance between the two) for the period July 1 through December, 2006.
2. Copies of your Exhibit C Invoices along with detailed print outs of the Drug/Medi-Cal approved units and dollar amounts received by our fiscal division.

It is important to note, as you review these documents, that the "Amounts Approved" total includes not only what was submitted new in that particular month but may also include resubmissions on previous error reports or denied claims. Although we have copies of the numerous reports that have been sent to you to correct errors and/or to resubmit, the staff hours to create an understandable summary document is much too onerous for either our staff or yours to create.

We do ask, however that you work with your financial and program staff to review any of the error reports and denied claims you have received and resubmit them as soon as possible in order that the county may submit them to the state for reimbursement. In this review, we ask that you do report to us any claims that were denied for just cause and to report to us any overpayment that you may have received for claims that you made in error. We will also continue to conduct such review and make those necessary adjustments either at the close of fiscal year or at cost report.

Last week staff in all Drug/Medi-Cal alcohol and drug provider agencies were trained on how to bill for D/MC services on the MarinWITS system. Unfortunately, we experienced some technical problems with the web-based system therefore we are planning to hold a repeat of the training in June. Staff were "walked" through the system with paper screen prints. I personally attended that training and can assure you that, while it is different, it is doable. We had hoped to run the Paradox system to the end of this fiscal year however that will not be possible as the system is not NPI compatible. **With the addition of the new NPI mandate (effective May 23, 2006), it**

will be necessary to enter May, 2007 claims on the web-based system as opposed to the old Paradox system.

The great advantage of this web-based system is that this system immediately “catches” many of the human errors that, in the past, has resulted in lost revenue. The system forces the user to input all of the data necessary and will not allow for errors in such things as dates, Diagnosis, and a host of other errors that have previously occurred. At the county level we will be extracting your claims and submitting them to the State ITWS system along with your CalOMMS data. Within a few hours, we will receive an extract of the claims approved, denied, etc. which we will then be able to send to you immediately.

Subsequently, **beginning with the June, 2006 payments, the County will only be reimbursing on approved claims.** Claims that were input by your staff that were rejected due to errors (such as wrong SS#'s, etc.), or denied will not be paid until reentered by you into the system at the next monthly payment.

I believe we have finally reached a point where both the county and you, the providers, will be efficiently and accurately informed about the status of the Drug/Medi-Cal claims.

Thank you for your patience as we have worked together through a difficult but promising new reporting system. We will continue to work with you to make this as seamless as possible.

Should you have concerns or questions regarding this process or policy please feel free to contact me directly.

Sincerely,

D.J.

D.J. Pierce, OTR, MPA
Chief, Marin County Health & Human Services
Division of Alcohol, Drug & Tobacco Programs