

Acute Psychiatric Hospitals : Building Awareness of Medicare & Medi-Cal Crossover Claims

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Welcome

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California Hospital Association



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Questions



Submit your questions through the Q & A box. (Usually located at the bottom of your screen.)

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Program Overview



Sheree Lowe
Vice President, Behavioral Health



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Faculty



Chad Mulvany
Vice President,
Federal Policy



Ryan Witz
Vice President, Health
Care Finance Initiatives



April Contreras
Vice President Patient Financial
Services/RCM

Update on Changes to Medicare Billing



Chad Mulvany
Vice President, Federal Policy



Review Medi-Cal Billing Requirements



Ryan Witz
Vice President, Health Care Finance Initiatives



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Acute Psychiatric Hospitals : Building Awareness of Medicare & Medi-Cal Crossover Claims



The Providers Experience



College Hospital

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Objectives :



Medicare Inpatient Crossover Claims (Deductible & Copays)

Gain	Understand	Challenges	Importance
Gain an extensive understanding of Noridian's position regarding the denial of inpatient Medicare bad debts claimed with RAD Code 170	Understand the correlation between Noridian's position and the Code of Regulations effective January 1, 2021	The challenges with LA County Mental Health and Orange County Behavioral Health Services	Importance of completing a facility evaluation and determine your facilities risk

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- Established in 1973
 - 187 bed free-standing psychiatric facility
 - Located in Los Angeles county
-
- 2018 Payer Mix - Medicare – 27.9%

Patient Days	1,465
Discharge Days	1,310
Number of Discharges	79



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Facility Audit with Noridian



- December 16, 2020 – engagement letter received from CMS Medicare Administrative Contractor (MAC) - Noridian
 - FYE 2018
- Threshold for review was met
- Specific supporting documentation was requested
- Documentation due no later than December 30, 2020

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Noridian Notification Letter

Indicated specific RAD
Codes:

401, 408, 442

[files.medi-cal.ca.gov ›
publications › masters-mtp ›
part1 › RAD_Repository](https://files.medi-cal.ca.gov/publications/masters-mtp/part1/RAD_Repository)

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- Copy of the Medicare RA(s) identifying the patient by name, HIC number, admit and discharge date, and the amount of the deductible and/or co-insurance.
- Copy of the Paid Secondary Medicaid RA(s) identifying the patient by name, ID number, admit and discharge date, and the amount of payment or denial of payment.
- **For Medi-Cal crossover bad debts, if RAD Code 401, 408 for Part A or 442 for Part B is listed on the RA, provide a copy of the Medicaid Eligibility Response from the Medi-Cal website.**
- Documentation to support Share of Cost/Spendedown Amount and Fee-Reimbursed Charges that were calculated and removed from the bad debt amount claimed.
- **For Medi-Cal crossover bad debts**, a copy of the Medi-Cal Detailed Paid Claims Report.
- Copy of any other RAs or EOBs to support any payments applied to the patient account.
- Copy of the Patient Account Detail/Payment History showing all charges and payments applied to the account, date of first bill, collections effort notes, and write-off date and amount.
- **If the account was sent to a collection agency**, provide a copy of the report received from the collection agency stating that the account is uncollectable and the date the account was deemed worthless.
- **If the account is marked as Indigent**, a copy of the indigent determination documents. This would include a copy of the Medicaid RA, financial assistance application and all supporting financial documents.
- Copy of the Bad Debt Collection and Write-Off Policies & Procedures effective starting at the date of admit.
- **For Indigent Bad Debts**, a copy of the Indigency Determination Policy/Guidelines effective starting at the date of admit.
- **If an internal and/or external Collection Agency was used**, a copy of the agreement between the agency and the provider.
- **For Bad Debt Recoveries received on Medicare bad debts written-off and claimed on the current year and any prior year cost report**, provide the method used to account for the recoveries and supporting documentation to show how the recoveries were offset against patient accounts. Any recoveries received during the cost reporting period should be offset against current year bad debts claimed.

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Noridian Notification Letter – Received 2018 regarding FYE 12/31/2016

I have attached the sample selected for bad debts. Please submit the following items for each patient listed in the sample.

1. Copy of the Paid Secondary Medicaid RA(s) identifying the patient by name, ID number, admit and discharge date, and the amount of payment or denial of payment.
2. **For Medi-Cal crossover bad debts**, provide a copy of the Medicaid Eligibility Response from the Medi-Cal website.
3. Documentation to support Share of Cost/Spenddown Amount and Fee-Reimbursed Charges that were calculated and removed from the bad debt amount claimed.
4. **For Medi-Cal crossover bad debts**, a copy of the Medi-Cal Detailed Paid Claims Report.
5. Copy of any other RAs or EOBs to support any payments applied to the patient account.
6. Copy of the Patient Account Detail/Payment History showing all charges and payments applied to the account, date of first bill, collections effort notes, and write-off date and amount.
7. **If the account was sent to a collection agency**, provide a copy of the report received from the collection agency stating that the account is uncollectable and the date the account was deemed worthless.

Audit Specifics



25 inpatient Medicare cross-over accounts were selected

- Only one (1) account was allowed
- 24 accounts were disallowed

Percentage of error was extrapolated and applied to the total reported amount of submitted bad debt on the listing.

Facility financial implications will be based on the facility payer mix of Medicare Inpatient admissions.

Noridian's Response and Position



Firmly disagreed with the proposed disallowed accounts.

- Requested the involvement of a supervisor.
- College Hospital engaged in conference calls and email exchanges.

Supporting Documents:

1. Department of Health Care Services (DHCS) Fact Sheet
2. RAD Code 170
3. "Must Bill" policy
4. Code of Federal Regulations
 - a. Must bill
 - b. Local welfare agency

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DHCS Inpatient Psychiatric Treatment Coverage Fact Sheet - 2013



Noridian auditor provided the Inpatient Psychiatric Treatment Coverage Fact Sheet dated March 2013 issued by the State of California Department of Health Care Services (DHCS) to support the disallowed accounts.

<http://calduals.org/wp-content/uploads/2013/03/Inpatient-and-IMD-Fact-Sheet.pdf>

- Dual Eligible Beneficiaries
- County Mental Health Plan (MHPs)
- Responsibilities of Medicare cost sharing including deductibles and copayments

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RAD Code 170



- Claims for recipients ages 22-64 are not payable in an IMD facility
- Billing Tips – Not Available
- Contractual Obligation
- Not eligible due to the patient's age

https://files.medi-cal.ca.gov/pubsdoco/publications/masters-mtp/part1/RAD_Repository.xlsx

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"Must Bill" - Code of Federal Regulations



42 CFR § 413.89(e)

(iii) **Indigent dual-eligible beneficiaries (including qualified Medicare beneficiaries).** Providers may deem Medicare beneficiaries indigent or medically indigent when such individuals have also been determined eligible for [Medicaid](#) under a State's Title XIX [Medicaid](#) program as either categorically needy individuals or medically needy individuals. To be considered a reasonable collection effort for dual-eligible beneficiaries:

- (A) When a State permits a Medicare provider's [Medicaid](#) enrollment for the purposes of processing a [beneficiary's claim](#), to determine the State's liability for the [beneficiary's](#) Medicare cost sharing, the provider -
- (1) Must determine whether the State's Title XIX [Medicaid](#) Program (or a local welfare agency, if applicable) is responsible to pay all or a portion of the [beneficiary's](#) Medicare deductible or coinsurance amounts;
 - (2) **Must submit a bill to its Medicaid/Title XIX agency (or to its local welfare agency) to determine the State's cost sharing obligation to pay all or a portion of the applicable Medicare deductible and coinsurance;**
 - (3) Must submit the [Medicaid](#) remittance advice received from the State to its Medicare contractor;
 - (4) Must reduce allowable Medicare bad debt by any amount that the State is obligated to pay, either by statute or under the terms of its approved [Medicaid](#) State plan, regardless of whether the State actually pays its obligated amount to the provider; and
 - (5) May include the Medicare deductible or coinsurance amount, or any portion thereof that the State is not obligated to pay, and which remains unpaid by the [beneficiary](#), as an allowable Medicare bad debt.

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Analysis to Determine County Liability



Los Angeles County – 67.1%

- Contacted the county directly
- Submitted the following documents:
 1. Medicare Remittance Advice (RA)
 2. Medi-Cal RA
 3. Medi-Cal Eligibility
 4. County Invoice for Reimbursement

Orange County – 21.6%

- Provided documents to the county for view
- Initiating conference calls

COUNTY DESCRIPTION	
BLUE CROSS -INPT Total	0.1%
MCAL PSYCH CONTRA COSTA - INPT Total	0.6%
MCAL PSYCH GLENN - INPT Total	0.1%
MCAL PSYCH HUMBOLDT - INPT Total	0.1%
MCAL PSYCH KERN -INPT Total	0.2%
MCAL PSYCH LOS ANGELES - INPT Total	67.1%
MCAL PSYCH MARIPOSA - INPT Total	0.1%
MCAL PSYCH ORANGE -INPT Total	21.6%
MCAL PSYCH RIVERSIDE -INPT Total	1.3%
MCAL PSYCH SAN BERN - INPT Total	1.4%
MCAL PSYCH SAN DIEGO -INPT Total	0.1%
MCAL PSYCH SAN JOAQUIN - INPT Total	0.1%
MCAL PSYCH SANTA CLARA - INPT Total	0.1%
MCAL PSYCH STANISLAUS - INPT Total	0.1%
MCAL PSYCH VENTURA -INPT Total	3.4%
Unknown County / Undetermined	3.8%
	100.0%

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Los Angeles County Department of Mental Health (LADMH)



- Conference Calls
- Email Communication
- Demand Letter

- 2021 – current billing has been submitted for the 1st quarter (Jan – March)

Outcome -

The "council" has denied payment. Denial in writing has not been issued. Pending documentation and reason for denied payment.

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Orange County Health Care – Behavioral Health Services



- Email Communication
- Provided all documents from Noridian
- Requested a conference call to discuss billing process and procedure
- Billing specifics have not been submitted
- Outcome – undetermined

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Industry Concerns – Free-Standing Psychiatric Hospitals



- National Association of Behavioral Health (NABH) - members have been polled and **no** additional members have reported this to be an issue.
- College Hospital reached out to colleagues. Some colleagues confirmed that they had not experienced this on past audits. Audits were reported in 2019 and/or early 2020.
- Consulted with Hopper, Lundy, & Bookman

Concerns -

1. Free-standing hospitals are not claiming the 170 denial code on the bad debt listing for reimbursement
2. Code of Regulations effective 01/01/2021 - "or its local welfare agency" did not impact previous audits conducted by Noridian
3. There is no evidence to date, that Noridian is consistently applying standards to all free standing psychiatric facilities for claiming inpatient bad debt allowances, specifically for RAD Code 170.

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Facility Evaluation



- 1) When was your facility last audited by Noridian
- 2) What year was audited
- 3) Is your facility currently claiming inpatient Medicare deductible and copay amounts on the Medicare bad debt listing with a RAD Code 170
 - a) **If** your facility is not claiming the amounts (deductibles and copays) for services on the bad debt listing how are these amounts being reimbursed
- 4) Assess your top counties in which you would be required to bill
- 5) Contact California Hospital Association (CHA) if or when this issue arises at your facility

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Your time and attitude is greatly appreciated and valued.

Thank you!

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Thank You



Thank you for participating in today's webinar.
A recording of the program will be sent to each attendee.

For education questions, contact:

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