CHOC Health Alliance
Downstream Provider Notice
CLAIMS SETTLEMENT PRACTICES & DISPUTE RESOLUTION MECHANISM

As required by Assembly Bill 1455, the California Department of Managed Health Care has set forth regulations establishing certain claim settlement practices and the process for resolving claims disputes for managed care products regulated by the Department of Managed Health Care. This information notice is intended to inform you of your rights, responsibilities, and related procedures as they relate to claim settlement practices and claim disputes for Medicaid (Medi-Cal) product where CHOC Health Alliance is delegated to perform claims payment and provider dispute resolution processes. Unless otherwise provided herein, capitalized terms have the same meaning as set forth in Sections 1300.71 and 1300.71.38 of Title 28 of the California Code of Regulations.

I. **Claim submission instructions.**

A. Sending Claims to CHOC Health Alliance. Claims for services provided to members enrolled in CHOC Health Alliance must be sent to the following:

Via Mail:	Rady Children's Hospital – San Diego Attn: CHOC/CPN – Claims P.O. Box 1598 Orange, CA 92856
Via Physical Delivery:	Rady Children's Hospital – San Diego Attn: CHOC/CPN – Claims 5898 Copley Dr., Suite 307 San Diego, CA 921111
Via Clearinghouse:	**Office Ally** Payor ID: CHOC1 **Change Healthcare (Formerly Emdeon)** Payor ID: 33065 or SCH01

B. Claim Inquiries. Please call 1-800-387-1103

C. Claim Submission Requirements. The following is a list of claim timeliness requirements, claims supplemental information and claims documentation required by CHOC Health Alliance:

- Contracted Providers have 90 days from DOS to submit a claim, unless otherwise specified in their contract.
- Non-Contracted providers have 180 days from DOS to submit a claim.

In some circumstances, a claim may be pended for the following:

- System Hold (Status 2). The system may place a claim on hold for eligibility, duplicate or benefit research
- Manual Hold (Status 3). An Examiner may place a claim on hold for Letter of Agreement, authorization research, documentation review or dollar amount review.

If a claim is considered "incomplete", the claim will be contested.

"Complete claim" means a claim or portion thereof, if separable, including attachments and supplemental information or documentation, which provides: "reasonably relevant information" as defined by section (a)(10) "information necessary to determine payor liability" as defined in section (a)(11).

Completed Claim Definition:

- **Completed Member Eligibility**
- **Date Of Service**
- **Valid Diagnosis Codes (ICD-9/ICD-10) – submit with highest level of specificity**
- **Valid CPT, HCPCS, Revenue Codes**
- **National Drug Code (NDC) for physician-administered drugs**
- **Billed Amount**
- **Days and Units**
- **Place of Service Code**
- **Anesthesia start and stop time**
- **Itemization of Services**
- **Rendering Facility**
- **Referring Provider Name and NPI**
- **Rendering Provider and NPI**
- **Provider Demographic Information (Including Tax ID#)**

Claims Payment Policies and Rules.

CHOC Health Alliance uses Medi-Cal's policies and rules when adjudicating claims.

- Global surgeries include but not limited to, preoperative, intraoperative, and postoperative care as defined by Medi-Cal. Payment for these procedures includes the following services related to the surgery when furnished by the physician who performs the surgery. The services included in the global surgical package may be furnished in any setting, e.g., hospitals, Ambulatory Surgical Centers (ASCs), physicians' offices. Visits to a patient in an intensive care or critical care unit are also included if made by the surgeon. Consult the Medi-Cal website for more information.
- Bilateral Procedures: Defined as performed on the same anatomic site on opposite sides of the body through separate incision.
- Assistant Surgeons: Using clinical expertise and published guidelines by nationally recognized organizations. Assistant Surgeons are classified into two categories: 1) Allowed and; 2) Not allowed. If assistant surgeons are allowed for the surgical procedure, services are reimbursed per Medi-Cal guidelines.

- Administration of Immunizations and Injectable Medications: Separate payment is allowed for administration of immunization and some injectable medications. Please refer to Medi-Cal for specific information.
- Modifiers: CHOC Health Alliance understands that modifiers are vital for proper reporting of medical services and procedures; and recognizes all CPT modifiers. The lack of modifiers or the improper use of modifiers can result in claim delays or claim denials.

For each claim that is either denied, adjusted or contested, CHOC Health Alliance will provide an accurate and clear written explanation of the specific reasons for the action taken on the individual claim line of the explanation of benefits (EOB).

Medi-Cal payment policies and guidelines can be found at:
https://mcweb.apps.prd.cammis.medi-cal.ca.gov/

Fee Schedule Reimbursement:
Please refer to your provider service agreement contract for Fee Schedule Reimbursement rates or click on the following links for Medi-Cal:
https://mcweb.apps.prd.cammis.medi-cal.ca.gov/

and Medicare: https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PFSlookup/index.html

D. Claim Receipt Verification. For verification of claim receipt by CHOC Health Alliance:
   - 2 working days of the receipt of an electronic claim
   - 15 working days of the receipt of a paper claim

   Acknowledgement of electronic claims is provided via a 277u file and/or Bowman Interface Log Report to the sender/clearinghouse

   Receipt of paper claims that are scanned by our outside vendor, Imagenet LLC, Inc. are acknowledged when the file is loaded into EzCap with a

system generated claim number using the MRD (mail received date) on the Imagenet file.

E. A minimum of forty-five (45) days prior written notice will be provided before instituting any changes, amendments, or modifications in the requirements listed above I. A.-D.

II. Dispute Resolution Process for Providers

A. Definition of Provider Dispute. A provider dispute is a provider's written notice to CHOC Health Alliance challenging, appealing or requesting reconsideration of a claim (or a bundled group of substantially similar multiple claims that are individually numbered) that has been denied, adjusted or contested or seeking resolution of a billing determination or other contract dispute (or bundled group of substantially similar multiple billing or other contractual disputes that are individually numbered) or disputing a request for reimbursement of an overpayment of a claim. Each contracted provider dispute must contain, at a minimum the following information: provider's name; identification number, contact information, and:

i. If the provider dispute concerns a claim or a request for reimbursement of an overpayment of a claim from CHOC Health Alliance, the following must be provided: a clear identification of the disputed item, the Date of Service and a clear explanation of the basis upon which the provider believes the payment amount, request for additional information, request for reimbursement for the overpayment of a claim, contest, denial, adjustment or other action is incorrect.

ii. If the contracted provider dispute is not about a claim, a clear explanation of the issue and the provider's position on such issue; and

iii. If the contracted provider dispute involves an enrollee or group of enrollees, the name and identification number(s) of the enrollee or enrollees, a clear explanation of the disputed item, including the Date of Service and provider's position on the dispute, and an enrollee's written authorization for provider to represent said enrollees.

B. Sending Dispute to CHOC Health Alliance. Provider disputes submitted to CHOC Health Alliance must include the information listed in Section II.A., above. All disputes must be sent to the attention of Claims department at the following:

Via Mail:
Rady Children's Hospital – San Diego
Attn: CHOC/CPN – Claims
3020 Children's Way, Mail Code 5144
San Diego, CA 92123

Via Physical Delivery:
Rady Children's Hospital – San Diego
Attn: CHOC/CPN – Claims
5898 Copley Dr., Suite 307
San Diego, CA 92111

C. Time Period for Submission of Provider Disputes.

i. Disputes must be received by CHOC Health Alliance within 365 days from CHOC Health Alliance's action that led to the dispute (or the most recent action if there are multiple actions) that led to the dispute, or

ii. In the case of CHOC Health Alliance's inaction, disputes must be received by CHOC Health Alliance within 365 days after the provider's time for contesting or denying a claim (or most recent claim if there are multiple claims) has expired.

iii. Disputes that do not include all required information as set forth above in Section II.A. may be returned to the submitter for completion. An amended dispute which includes the missing information may be submitted to CHOC Health Alliance within thirty (30) working days of your receipt of a returned contracted provider dispute.

D. Acknowledgment of Disputes. CHOC Health Alliance will acknowledge receipt of all disputes as follows:

i. Disputes will be acknowledged by CHOC Health Alliance within fifteen (15) Working Days of the Date of Receipt.

E. Contact CHOC Health Alliance Regarding Disputes. All inquiries regarding the status of an acknowledged dispute or about filing a dispute must be directed to CHOC Health Alliance at: 1-800-387-1103.

F. Instructions for Filing Substantially Similar Disputes. Substantially similar multiple claims, billing or contractual disputes, may be filed in batches as a single dispute, provided that such disputes are submitted in the following format:

- Sort disputes by similar issue.
- Provide a cover sheet for each batch of similar issues. Individually number and list the required information for the type of dispute (refer to the above sections).
- Number each cover sheet.
- Provide a cover letter for the entire submission. The cover letter should describe each provider dispute and reference the applicable numbered cover sheets.

G. Time Period for Resolution and Written Determination of Dispute. CHOC Health Alliance will issue a written determination stating the pertinent facts and explaining the reasons for its determination within forty-five (45) Working Days after the Date of Receipt of dispute or the amended dispute.

H. Past Due Payments. If the dispute or amended dispute involves a claim and is determined in whole or in part in favor of the provider, CHOC Health Alliance will pay any outstanding monies determined to be due, and all interest and penalties required by law or regulation, within five (5) Working Days of the issuance of the written determination.

III. **Claim Overpayments:**

A. Notice of Overpayment of a Claim. If CHOC Health Alliance determines that it has overpaid a claim, CHOC Health Alliance will notify the provider in writing through a separate notice clearly identifying the claim, the name of the patient, the Date of Service(s) and a clear explanation of the basis upon which CHOC Health Alliance believes the amount paid on the claim was in excess of the amount due, including interest and penalties on the claim.

B. Contested Notice. If the provider contests CHOC Health Alliance's notice of overpayment of a claim, the provider, within 30 Working Days of the receipt, must send written notice to CHOC Health Alliance stating the basis upon which the provider believes that the claim was not overpaid. CHOC Health Alliance will process the contested notice in accordance with CHOC Health Alliance's dispute resolution process described in Section II above. If Provider does not reimburse CHOC Health Alliance for the overpayment within thirty (30) business days after receipt of CHOC Health Alliance's notice, interest shall accrue at the rate of ten percent (10%) per annum beginning with the first (1st) calendar day after the thirty (30) business day period.

C. No Contest. If the provider does not contest CHOC Health Alliance's notice of overpayment, the provider must reimburse CHOC Health Alliance within thirty (30) Working Days of receipt of the notice of overpayment.

D. Offsets to payments. CHOC Health Alliance may only offset an uncontested notice of overpayment of a claim against provider's current claim submission when; (i) provider fails to reimburse CHOC Health Alliance within the timeframe set forth in Section IV.C., above, and (ii) CHOC Health Alliance's contract with the provider specifically authorizes CHOC Health Alliance to offset an uncontested notice of overpayment from the provider's current claims submissions. In the event that an overpayment is offset against the provider's current claim or claims pursuant to this section, CHOC Health Alliance will provide a detailed written explanation identifying the specific overpayment or payments that have been offset against the specific current claim or claims.