

REQUIRED REPORTING OF OVERPAYMENTS TO CONTRACT PROVIDERS RESULTING FROM WASTE, FRAUD, OR ABUSE

BACKGROUND

The California Department of Health Care Services (DHCS) now requires the Los Angeles County Department of Mental Health (LACDMH) as the local Mental Health Plan (MHP) to report overpayments to contract providers that are the result of waste, fraud, or abuse. MHPs must submit an annual report of all voids submitted during the prior fiscal year, beginning with voids submitted in Fiscal Year (FY) 2018-2019.

This reporting of voided claims brings MHPs and their providers into compliance with the Centers for Medicare and Medicaid Services' (CMS) Final Rule CMS-2390-P, which applies the Paul Wellstone Mental Health Parity and Addiction Equity Act to Medicaid Managed Care Plans. All California MHPs are classified as managed care plans under Medicaid and must comply with the program integrity requirements contained in Title 42 of the Code of Federal Regulations (CFR) Part 438.

To comply with the reporting requirement in 42 CFR, section 438.608(d), providers must send a list of all voided Medi-Cal claims that arrived at the State for processing beginning July 1, 2018. In order to ensure that all voids are captured on the list, providers must include all void requests that were submitted to LACDMH from April 1, 2018 to June 30, 2020 on the attached spreadsheet. Each row must state the reason the claim was voided and whether the void request was a result of waste, fraud, or abuse. All voids must be included on the spreadsheet even if they were not the result of fraud, waste, or abuse.

DEFINITIONS

Fraud is defined in 42 CFR Section 455.2 as “an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable Federal or State law.”

Waste “is not specifically defined but is generally understood to mean the overutilization or inappropriate utilization of services and misuse of resources, and typically is not a criminal or intentional act.” (DHCS All Plan Letter 17-003)

Abuse refers to “provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care. It also includes beneficiary practices that result in unnecessary cost to the Medicaid program.” (42 CFR Section 455.2)

REPORT

Please use the attached spreadsheet to report all voids submitted to LACDMH from April 1, 2018 through June 30, 2020. Below is a description of what to include on the spreadsheet.

Col.	Field Name	Description
B	Claim Number from 835	Enter the claim number received from LACDMH on your 835
C	Claim Submitter ID	Enter the Claim Submitter ID sent on your claim to LACDMH
D	Provider #	Enter the four-digit provider number for the location
E	Billing Provider Name	Enter the name of the location
F	Billing Provider NPI	Enter the National Provider Identifier (NPI) associated with the four-digit provider number
G	Date File Submitted to DMH	Enter the date from the claim file name
H	Medi-Cal Claim Y/N?	Indicate whether the voided claim is a Medi-Cal claim
I	Medi-Cal Claim Status	Enter Approved or Denied to indicate Medi-Cal's original adjudication of the claim that was voided Enter Pending if Medi-Cal has not the claim adjudicated the claim yet Enter N/A if the void is for a non-Medi-Cal claim
J	Void Reason	Briefly state the reason the claim is being voided
K	Fraud, Waste, Abuse, or Other	Enter Fraud, Waste, or Abuse to indicate whether the reason for voiding the meets the criteria for Fraud or Waste or Abuse Enter Other if the reason for voiding the claim does not fit the definition of Fraud or Waste or Abuse

Providers must sign the report. By signing the report, the signer is attesting that all voids submitted for the time period are included in the report and that the determination of whether the void was the result of fraud, waste, or abuse is true and accurate. Unsigned reports will be returned to the Legal Entity.

Legal Entity contract providers must complete the spreadsheet and place the report as an Excel file in the agency's SIFT folder along with a scan of the signed report. The Excel files must be named using the following format: LE#####_Void_Report_thru_06-30-2020. File names of the scanned report should use the following format: LE#####_Void_Report_thru_06-30-2020–Signed_Report. The dates in the file name represent the date the reported void was submitted to LACDMH.

All Fee-for-Service providers must complete the spreadsheet and e-mail an Excel version of the report along with a scan of the signed report to the Central Business Office (CBO) at CBO@dmh.lacounty.gov. All Fee-for-Service providers must name the Excel files using the following format: Provider_Name_Void_Report_thru_06-30-2020. File names of the scanned report should use the following format: Provider_Name_Void_Report_thru_06-30-2020–Signed_Report. The dates in the file name represent the date the reported void was submitted to LACDMH.

Both files for this initial Void Report must be submitted no later than Friday, July 31, 2020. Thereafter, reports will be due 30 days after the end of the quarter. CBO will compile the submissions in a report to DHCS.