



CBO DISPATCH

The “B” means BUSINESS

CBO Dispatch No.: NGA 17-016

Issue Date: July 20, 2017

Increases in Medi-Cal Denials



Recently, providers have contacted the Central Business Office (CBO) reporting increases in the number of Medi-Cal denials. Most of the denials reported are the result of the gender and/or date of birth on the claim for the client not matching the sex and/or date of birth for the client in the State’s eligibility system. (For more information about denials caused by these mismatches between what is in the claim and what is in the State eligibility system and how to prevent or correct them, please refer to [CBO Dispatch NGA 16-020: New Source for CO 177 Denials](#), [CBO Dispatch NGA 17-002: Update - Medi-Cal Date of Birth and Gender Edits](#), and [CBO Dispatch NGA 17-015: Medi-Cal Denials for Gender and Date of Birth.](#)) Other denials reported have the Claim Adjustment Reason Code (CARC) CO 177, Beneficiary not eligible.

Although the State began denying claims with an incorrect sex/gender and date of birth using a different CARC (CO 16) combined with a Remittance Advice Remark Code (RARC) for gender (MA 39) and a RARC for date of birth (N327) on January 10, 2017, older gender and date of birth denials used CO 177.

Other reasons a claim might deny with the CO 177 CARC include the following:

- **Aid code** invalid for Medi-Cal specialty mental health billing. (*Claims denied beginning 8/23/2016*)
- **Beneficiary not eligible.** (*Claims denied through 8/22/2016*)
- **Beneficiary not eligible.** None of the aid codes assigned to CIN were eligible. (*Claims denied beginning 8/23/2016*)
- **Emergency Services Indicator** must be “Y” for this aid code.
- **Emergency Services Indicator** must be “Y” OR **Pregnancy Indicator** must be “Y” for this aid code.
- **Healthy Families (HF)** partial month eligibility restriction, date of service must be greater than or equal to date of Date of Eligibility. (*Claims denied beginning 8/23/2016*)
- **HF:** Only SED services are valid for Healthy Families aid code. (*Claims denied beginning 8/23/2016*)
- **Pregnancy Indicator** must be “Y” for this aid code.
- **Restricted aid code:** Professional claim (837P transaction type) denied, client aid code is restricted to inpatient mental health services.
- **Share of cost:** Share of cost has not been fully obligated for the service month.
- **Therapeutic Behavioral Service (TBS)** valid only with a full scope aid code and an EPSDT aid code. (*Claims denied through 8/22/2016*)
- **Therapeutic Behavioral Service (TBS)** and Katie A. valid only with a full scope aid code and an EPSDT aid code. (*Claims denied beginning 8/23/2016*)

The State’s list of CARC/RARC codes for Medi-Cal denials is on the Intergrated System (IS) website with the Integrated Behavioral Health Information System (IBHIS) Electronic Data Interchange (EDI) Guides at http://lacdmh.lacounty.gov/hipaa/documents/MHSUDS17_005Enc2_CARCRARC_Codes_Eff_20160823.pdf.

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IBHIS providers, if you have questions or need additional information, create a HEAT Ticket using the following link: <https://extra.dmh.lacounty.gov/SelfServiceSupport/Pages/SelfService.aspx>.



DOES NOT APPLY TO FEE-FOR-SERVICE PROVIDERS

