

## **REQUIRED REPORTING OF OVERPAYMENTS RESULTING FROM WASTE, FRAUD, OR ABUSE FISCAL YEAR 2023-2024**

The California Department of Health Care Services (DHCS) 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. This requirement is in compliance with the Centers for Medicare & Medicaid Services' (CMS) Final Rule CMS-2390. Final Rule CMS 2390, codified under 42 CFR 438.608(d), states that MHPs must collect the reason claims were voided. Additionally, MHPs must submit an annual report of all voids received by DHCS during the prior fiscal year.

### **REPORT**

To comply with the collection and reporting requirement for Fiscal Year (FY) 2023-2024, all Legal Entity and Fee-for-Service contract providers must specify and attest to the reason each void request was submitted to LACDMH. The reason for each void request must be categorized as either fraud, waste, or abuse. Voids that do not meet the criteria for fraud, waste, or abuse must be categorized as other. LACDMH will submit a report on all voided Medi-Cal claims that arrived at DHCS for processing between July 1, 2023, and June 30, 2024.

To facilitate reporting on void requests and compiling the data to be sent to the State, LACDMH will continue using the Void Claim Reason Collection (VCRC) application available in the Provider Application Portal. VCRC is a secure portal containing the exact claims that need to be included on the report where providers can indicate the reason each claim was voided and whether that reason constitutes waste, fraud, or abuse. Each provider that submitted a void request to LACDMH in FY 2023-2024 or that had a void request accepted by Medi-Cal during that reporting period must use VCRC to complete and submit this year's report.

Like the Access database used in prior years, VCRC includes detailed claim information that will help identify each void request included in the reporting period. With the VCRC application, providers only need to enter a brief description of the reason for the void and categorize that reason as Fraud, Waste, Abuse, or Other. The definitions of fraud, waste, and abuse are below. Void reasons that do not meet the criteria of the definitions below must be categorized as Other. The application saves the data as it is entered.

## 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)

Below are the fields included in the VCRC application. Most fields are for reference to help locate the voids listed on the report. The fields to be worked are in bold italics. Here is a link to a video demonstrating VCRC: [VCRC Training 2024v1.2 - Feb 8th, 2024 \(granicus.com\)](https://www.granicus.com/videoDetail/VCRC_Training_2024v1.2_Feb_8th_2024). A User Guide for the VCRC application is also attached to this Bulletin.

Field Name	Type	Description
MC Flag	Pre-filled	This field is filled for Medi-Cal claims. This field is blank for non-Medi-Cal claims.
State Flag	Pre-filled	This field is filled when the State has received and approved the void request.
<b><i>Void Reason</i></b>	<b><i>Free Text</i></b>	Provide a brief but meaningful description of why the claim was voided.
<b><i>FWAO Reason</i></b>	<b><i>Drop Down</i></b>	Select Fraud or Waste or Abuse from the drop-down list when the reason for voiding the claim meets the criteria for Fraud or Waste or Abuse.  Select Other if the reason for voiding the claim does not fit the definition of Fraud or Waste or Abuse.
Void Claim Submitter ID	Pre-filled	Claim identifier (ID) created by the Legal Entity when submitting the void request to LACDMH
Original Claim Submitter ID	Pre-filled	Claim ID created by the Legal Entity when submitting the claim that was voided to LACDMH. This could be either an original claim or a replacement claim Submitter ID.
Service Date	Pre-filled	Service date of the claim that was voided
Procedure Code	Pre-filled	Procedure code submitted to LACDMH on the claim that was voided
Units	Pre-filled	Unit(s) of service for the claim that was voided
Amount	Pre-filled	Total charge for the service that was voided

Field Name	Type	Description
Rendering Provider Name	Pre-filled	Practitioner listed on the claim that was voided
Service Location Name	Pre-filled	Provider number and name of the place where the service was rendered
Void Submit Dt	Pre-filled	Date the void request was submitted to LACDMH
Claim Submit Dt	Pre-filled	Date the claim being voided was submitted to LACDMH
Claim ID	Pre-filled	MSO Claim Number that is in FinClaimList
DMH PCCN	Pre-filled	Payer Claim Control Number from LACDMH
State PCCN	Pre-filled	Payer Claim Control Number from the State
Void Claim Status	Pre-filled	Status of the claim that was voided
Void Status	Pre-filled	Status of the void request

On November 4, 2024, LACDMH will make FY 2023-2024 void claim data available in the VCRC application for each Legal Entity and Fee-for-Service contract provider that submitted voids to LACDMH or had voids accepted by the State during the reporting period. Providers must enter a Void Reason and select a Fraud, Waste, Abuse, or Other (FWAO) Reason for every line included in the application. Once all rows have a Void Reason and an FWAO Reason, providers will be able to access the Attestation form directly from VCRC. A link to the Attestation is located at the bottom of the header, just to the right of the Contact Email field.

Print and have an Authorized Signer sign or electronically sign the Void Reason Attestation Form. The Attestation Form must be signed by someone listed in the contract as authorized to sign documents on behalf of the agency or provider. By signing the report, the Authorized 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.

Once signed, upload the completed Void Reason Attestation Form to VCRC following the instructions in the User Guide. LACDMH will be notified when the Attestation has been uploaded. Unsigned reports, reports signed by someone other than an Authorized Signer, or reports with other issues will be considered incomplete and returned to the provider for correction.

The report must be completed by December 2, 2024.