

CO 96/N54 DENIALS: PAUSE ON TAKEBACKS

Recently, the California Department of Health Care Services (DHCS) identified an issue that caused claims for individual therapy services to be denied erroneously with the code CO 96/N54 – No rate for the procedure code and/or modifier combination claimed. They determined that the issue is impacting a few procedure codes such as 90832 and 90837, as well as a few other codes.

After review and analysis, DHCS confirmed that rates for practitioners rendering these services are in the Short-Doyle/Medi-Cal (SDMC) claims adjudication system and that the denials were in error. They found what caused the erroneous denial and developed an update to SDMC to address and correct the problem. DHCS expects to deploy the update on February 11, 2025.

To minimize the significant financial impact of these erroneous denials, the Department of Mental Health (DMH) will temporarily pause recoupment (or takebacks) on CO 96/N54 denials received after December 11, 2024. Claims, where recoupment has been paused, will have a claim status of PENDING CALPM until deployment of the DHCS update has been confirmed. The claim status will be changed back to DENIED CALPM shortly after SDMC has been updated.

The Central Business Office (CBO) will issue a CBO Bulletin advising providers that these erroneous denials can be replaced once it has been confirmed that DHCS's update has been deployed successfully in SDMC.