

## FIX DEPLOYED FOR CO 96/N54 BUG: REPLACE IMPACTED CLAIMS NOW

Recently, the California Department of Health Care Services (DHCS) identified an issue that caused claims for individual mental health services to deny erroneously with the code CO 96/N54 – No rate for the procedure code and/or modifier combination claimed. They determined that the issue impacted procedure codes such as H2017, 90832, 90837, as well as a few other codes. DMH suspended the recoupment of these denials from March payment due to the high volume of claims and the dollar amount affected by the issue.

DHCS confirmed that the erroneous CO 96/N54 denials were caused by a bug introduced to their system on December 11, 2024. DHCS verified that they deployed an update to correct this bug on February 11, 2025. The Los Angeles County Department of Mental Health (DMH) has confirmed that DHCS successfully corrected their system issue.

**All providers may replace these erroneous CO 96/N54 denials<sup>1</sup> NOW.**

**The deadline to submit these replacements is April 3, 2025.**

***DMH will start recouping these denied claims if a valid replacement is not received by April 3<sup>rd</sup>. Recoupment will be reflected in the May 2025 payment.***

**No Cash Flow Advances (CFA) will be considered for untimely replacements.**

For impacted claims where the replacements will not reach the State's Short-Doyle/Medi-Cal (SDMC) claims adjudication system within the State's claiming statute for replacements (15 months from the month of service), providers may open a HEAT ticket to request a Medi-Cal Delay Reason Code (DRC). The Central Business Office (CBO) will need the following information to allow the claims into the Integrated Behavioral Health Information System (IBHIS) and confirm the use of the DRC with the State:

- List of the claims needing the DRC (original Claim Submitter ID)
- Dates of service
- Funding source
- File name (required once CBO responds to the HEAT Ticket, and advises providers to submit the late replacement claims)

---

<sup>1</sup> Replacements of claims appropriately denied with CO 96/N54 may be denied by the State again.