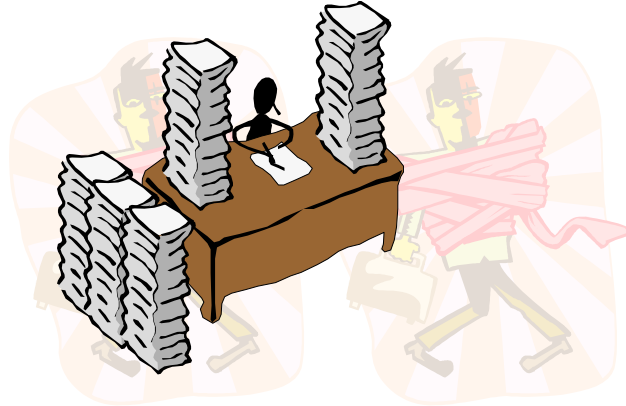


RMD Bulletin

Knowledge is power...



ALERT!
OHC
DENIALS

The Department of Mental Health (DMH or the Department) has received notification from the State that they have identified a system processing error that has affected a large number of Medi-Cal claims causing them to be inappropriately denied. The information provided by the State indicates that during an update of managed care information in the Medi-Cal eligibility verification system, a large number of Medi-Cal beneficiaries have been identified as having Other Health Care (OHC) when in fact they have Medi-Cal managed care coverage. Clients with Medi-Cal managed care are part of the carve-out and mental health services should be provided by DMH providers and billed through the Integrated System (IS).

What this means is that providers have received an increase in Medi-Cal denials beginning October 2011. These denials will appear with OHC (CAS*CO*22) which means that the provider did not bill the OHC prior to billing Medi-Cal as required. The State has estimated that they will have their system corrected by July 2012 and will provide specific instructions to the Department for correcting these claims when complete.

The Department is working closely with the State to identify the claims that have been incorrectly denied. As soon as we receive verification of the inappropriate denials, providers will be given this information. Please note that not every claim that is denied due to OHC was denied in error; however, until the Medi-Cal verification system is corrected, eligibility checks will continue to identify OHC for clients with Medi-Cal managed care.

WHAT SHOULD YOU DO?

Claims that have been inappropriately denied must **NOT** be replaced until the State has completed the fix to their system and has issued instructions on how they will receive the claims.

DMH recommends that you hold the replacement or correction of these inappropriately denied claims until further notice.

We're here to help you...

If you have any questions or require further information, please do not hesitate to contact RMD at (213) 480-3444 or RevenueManagement@dmh.lacounty.gov.