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Owner: *Nasr Doss: Deputy CIO, PMP*  
Policy Area: *Information Technology*  
References:

## Claims Adjudication Policy

### POLICY

It is the policy of the Detroit Wayne Integrated Health Network (DWIHN) to ensure that claims and encounters are adjudicated on a timely and consistent basis.

### PURPOSE

It is crucial that claims and encounters are adjudicated in a timely and consistent basis to ensure that:

1. The providers in our networks are fairly compensated.
2. DWIHN has the necessary information concerning services and costs that can be used for submission to MDHHS.
3. DWIHN has the necessary information for contract compliance, Quality, Utilization Management and other reporting needs.

### APPLICATION

1. This policy applies to the DWIHN, Managers of Comprehensive Provider Network (MCPNs), and their sub-contractors.
2. This policy serves the following populations: Adults, Children, I/DD, SMI/SEI, SED,SUD, Autism
3. This policy impacts the following **contracts/service lines**: MI-HEALTH LINK, Medicaid.SUD, Autism, Grants, General Fund

### KEYWORDS

1. Claims Adjudication: The process through which claims and encounters that are submitted to an MCPN are scrutinized for benefit package/coverage requirements, completeness and accuracy to determine payment to a provider and/or cost of service.

### STANDARDS

1. DWIHN, MCPNs, and their sub-contractors are responsible for adjudicating claims/encounters no less than twice a month.
2. DWIHN, MCPNs, and their sub-contractors must use a commercially available adjudication software

package.

3. DWIHN, MCPNs, and their sub-contractors must use a well-documented and tightly managed claims adjudication process with the ability to track systems and organization performance against established metrics.
4. DWIHN, MCPNs, and their sub-contractors must have a division of labor/responsibility between system/provider set-up and the processing & adjudication of claims (one person cannot set rates in the system and also adjudicate claims).
5. Claim payments must follow the scope of services in DWIHN, MCPNs, and their sub-contractors contract.
6. Claim payments must follow the rules in DWIHN Coding Manual.
7. DWIHN, MCPNs, and their sub-contractors must use HIPAA standard transactions in receiving and sending claims and payment information to their providers.
8. DWIHN, MCPNs, and their sub-contractors must have a standard set of edits to determine proper adjudication.
9. DWIHN, MCPNs, and their sub-contractors must produce an Explanation of Benefits document for at least 10% of the consumers that are served by its network.

## **QUALITY ASSURANCE/IMPROVEMENT**

DWIHN shall review and monitor contractor adherence to this policy as one element in its network management program, and as one element of the QAPIP Goals and Objectives.

The MCPNs, their subcontractor's and direct contractor's quality improvement program must include measures for both the monitoring of and the continuous improvement of the program or process described in this policy.

## **COMPLIANCE WITH ALL APPLICABLE LAWS**

DWIHN staff, MCPNs, their subcontractors, and direct contractors are bound by all applicable local, state, and federal laws, rules, regulations, and policies, all federal waiver requirements, state and county contractual requirements, policies and administrative directives in effect as may be amended. staff, MCPNs, contractors, and subcontractors are bound by all applicable local, state and federal laws, rules, regulations and policies, all federal waiver requirements, state and county contractual requirements, policies, and administrative directives, as amended.

## **LEGAL AUTHORITY**

1. Michigan Mental Health Code Act 258, PA 258 of 1974, as revised
2. Department of Community Health Administrative Rules
3. MDHHS Contracts

## **RELATED POLICIES**

N/A

# RELATED DEPARTMENTS

1. Administration
2. Children's Initiative
3. Claims Management
4. Clinical Practice Improvement
5. Compliance
6. Contractors
7. Customer Service
8. DHS Outstation
9. Finance
10. Human Resources
11. Information Technology
12. Integrated Health Care
13. Interns
14. Legal
15. Managed Care Operations
16. Management & Budget
17. Office for Peer-Participation Advocacy
18. Purchasing
19. Quality Management
20. Recipient Rights
21. Substance Use Disorders
22. Utilization Management

## CLINICAL POLICY

YES

## INTERNAL/EXTERNAL POLICY

EXTERNAL

### Attachments:

#### Approval Signatures

**Approver**

**Date**

Dana Lasenby: Chief Clinical Officer

07/2018

