



PROVIDER ALERT
MDH's CLAIMS DENIALS MITIGATION PROJECT TEAM –
PROVIDER COMMUNICATION #1
September 14, 2023

Claims Denial Mitigation (CDM) Project Background

On July 17, 2023, The Maryland Department of Health (MDH) announced to behavioral health community-based service providers that a project to audit denials for claims originally received by Optum in CY2020 and CY2021 began on July 1, 2023. This audit is currently underway. Softech has more than two decades of experience auditing each Behavioral Health ASO's authorizations and claims payment, as well as learning the unique landscape of the PBHS in Maryland. Softech initiated a pilot study with select providers to give feedback on draft reports and communications, ensuring that essential information is captured and that reports are both comprehensive and easy to read for providers. The goal of both Softech's communication and these reports is to provide transparency to the provider community, build provider trust in this process, and to assure providers that a thorough audit of denied claims is performed for this time period.

The scope of this audit consists of claims originally received by Optum during CY2020 and CY2021 (regardless of Date of Service) and are in a final status of DENIED at the start of this project (July 2023). This does not include claims from Acute Care General Hospitals, Laboratories, or Out-of-State Providers, and does not include paid claims or claims with partial payments, voids, or pends.

Report Delivery

Softech's reports will be distributed in the Provider's Incedo folder. Please see the PROVIDER ALERT, "Audit of 2020 and 2021 Denied Claims" dated July 17, 2023 [here](#) related to this process.

Reports to Expect

Report #1- Provider Claims Denial Catalog

This report will list all claims that are included in the CDM Project. Providers may use this report to identify any claims missing from the claims under analysis.

NOTE:

- Only the most recent iteration of a claim denial is included, and
- Denied claims that ultimately resulted in a payment are not included in this project.

We expect to deliver this report to all impacted providers the week of September 18, 2023.

Reports #2, 3, and 4 – Reports by Denial Reason

We will be performing analysis of all denials within the project's scope, but we have prioritized the analysis of the Top Ten denial reasons. These denials comprise about 80% of all the denied claims – for both claims volume and denied dollar amounts. Each of these denials will result in the set of reports shown below.

We expect to begin delivering reports on the Top Ten Denial Reasons the week of September 18, 2023, and anticipate concluding the Top Ten Denial Reasons through the end of October. There may be additional denial reasons included with the Top Ten reports.

Report #2 - Informational Report: Claims for ASO to Reprocess

As we report claims to the ASO for anticipated reprocessing, we will notify impacted providers of their claims within that report. This is an informational report, and the provider does not need to act on these claims. While we do not anticipate claims in this report to deny again for the same reason, they may deny for a different reason due to Incedo rules.

Report #3 - Provider Potential Correction Report

This report will show the claims we have identified that could be corrected and resubmitted. The report includes details of the denial status as of the time of the report, including the data elements associated with the denial. If applicable, potential other reasons the claim could deny will also be included. Providers can use this information to compare against their records and decide about claim accuracy before submitting a corrected claim. Like with Report #2, while we do not anticipate claims in this report to deny again for the same reason, they may deny for a different reason due to Incedo rules.

Report # 4 – Informational Report: Non-actionable Claims

This report will list claims that are correct and final denials based on the information submitted. There is no action expected on these claims; if billed incorrectly, however, please submit a corrected claim to Optum for consideration. For questions with information issues in Incedo, please contact Optum Maryland customer service at 1-800-888-1965.

Optum PRAs and Dual Check-Write

Payments for claims impacted by the audit will be used to offset against a Provider's negative balance and or estimated payment balance. See the provider alert, Return of the Dual Check-Write Process dated August 24, 2023, [here](#) related to this process.

We expect Optum to complete the first round of reprocessing through the Dual Check-Write process to occur Friday, September 8, 2023. These are for the first batch of claims incorrectly denied for "Authorization required; no authorization on file."

Upcoming Reports

Providers will be receiving up to four reports from this list:

1. All impacted providers will receive **Report # 1 – Provider Claims Denial Catalog**.
2. Providers with a claim denied for "Authorization required; no authorization on file" (Incedo DR 138 / CARC 197) will receive one, two, or all three of the following reports:
 - a. **Report #2 - Informational Report: Claims for ASO to Reprocess** – claims that were incorrectly denied for 138 / 197 being reprocessed by Optum, AND/OR
 - b. **Report #3 - Provider Potential Correction Report** – claims with authorizations for the same Provider TIN, but with a mismatched NPI, AND/OR
 - c. **Report #4 - Informational Report: Non-actionable Claims** – Claims that were correctly denied for 138 / 197.

Please Note:

- Claims identified as part of **Report #2** and **#3** may pay or may deny again (for a different reason).
- These will be the first of several iterative reports to be sent through the end of October. This first batch of reports are only for 138 / 197.

Report Questions

Questions regarding report definitions, interpretations, or potential claims that might have been overlooked from inclusion in this project may be directed to Softech. Providers may submit an inquiry to: mdh.denialsproject@maryland.gov and Softech staff will respond to these inquiries. Providers will be redirected to Optum for questions not related to the reports Softech provided. Softech will respond to Provider inquiries within 3 business days.