MSA MEDICAL SERVICES ADMINISTRATION

Bulletin

Michigan Department of Community Health

Bulletin Number: MSA 12-65

Distribution: All Providers

Issued: December 1, 2012

Subject: Claim Predictive Modeling

Effective: January 1, 2013

Programs Affected: Medicaid, Adult Benefits Waiver, Children's Special Health Care Services, Waiver for Children with Serious Emotional Disturbances, Children's Waiver Program, Maternity Outpatient Medical Services, MIChoice Waiver, *Plan First!*

Beginning January 1, 2013, the Michigan Department of Community Health (MDCH) will implement a new predictive modeling process for all fee-for-service claims submitted though the Community Health Automated Medicaid Processing System (CHAMPS). The predictive modeling process will be part of CHAMPS and will use advanced screening technology to identify billing irregularities. This process is authorized by the Patient Protection and Affordable Care Act (P.L. 111-148), required by section 4241 of the Small Business Jobs Act of 2010 (P.L. 111-240), and will be similar to the Fraud Prevention System screening implemented by the Centers for Medicare and Medicaid Services (CMS) for Medicare. Pursuant to Title 42 of the Code of Federal Regulations, part 433.139 and the authority cited therein, Medicaid providers are subject to reviews in order to ensure compliance with state and federal regulations and the provider agreement with the State of Michigan Medicaid Program.

The predictive modeling process will utilize statistical analysis models to identify and flag Medicaid claims in which there are billing irregularities. Any claim that has been flagged for review will suspend with the following Claim Adjustment Reason Code (CARC) and Remittance Advice Remark Code (RARC). The CARC and RARC information will be available in CHAMPS.

CARC: 133 – The disposition of the claim/service is pending further review. Use Group Code OA.
RARC: N10 – Payment based on the findings of a review organization/professional consult/manual adjudication/medical or dental advisor.

Claims flagged by the predictive modeling process will undergo a detailed analysis to determine the next step(s) to be taken. This may include a review of medical records and/or past claims. Providers must submit the requested records in a timely manner to avoid denials for lack of documentation. Provision of protected health information contained in medical records is permissible by the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and by the Code of Federal Regulations (CFR) at 45 CFR 160 and 164 for payment review purposes. In addition, both the federal government and MDCH policy require that providers make records available upon request from authorized agents of the state and/or federal government.

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mailed to ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

Stephen Fitton, Director
Medical Services Administration