

**Community Mental Health Affiliation  
of Mid-Michigan**

<b>PROCEDURE:</b> 7.2	Page 1 of 2	<b>SUBJECT:</b> Claims Monitoring
<b>Related Policy:</b> 7.0		<b>SUBJECT:</b> Financial Management
<b>Issuing Directors:</b> PIHP Director of Finance, and Director of Affiliation Operations		<b>Original Effective Date:</b> 12/14/06

**REVISED DATE**

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**Review Date(s)**

02/05/08					

**I. PURPOSE:**

CMHAMM Affiliation CMHSPs/CAs will monitor the payment of claims for Medicaid in order to ensure timely reimbursement of approved services.

**II. STANDARDS:**

The following federal and state statutes, contracts and technical specifications establish the standards for CMHAMM's Financial Management Procedure:

- A. BBA
- B. OMB Circular A-87
- C. Medicaid Managed Specialty Supports Services Concurrent 1915(b)(c) Waiver Program
- D. CMHSP/CA Medicaid Subcontracts
- E. GAAP

**III. DEFINITION:**

**A. Clean Claim:**

A claim that can be processed without obtaining additional information from the provider of the service or a third party. It does not include a claim from a provider who is under investigation for fraud or abuse, or a claim under review for medical necessity.

**IV. PROCEDURES:**

- A. Each CMHSP/CA Data will collect data quarterly to monitor the timely payment of clean claims.
- B. The random sample size will be the greatest of 20 claims of 5% (.05) of the total number of claims processed for the period.
- C. Each CMHSP/CA will prepare a Claim Payment Monitoring Report, including the percent clean claims paid within 30 days and the percent of clean claims paid within 90 days. This report is due to the PIHP Accountant by 25<sup>th</sup> of the month following the end of the quarter.
- D. The report will be reviewed by the Affiliation Accountant, and monitored through the Compliance Committee.

- E. Reports indicating unsatisfactory compliance (i.e. less than 90% at 30 days or less than 99% at 90 days) will require a plan of action to improve timeliness of claims payment.
- F. The Claims Payment Monitoring Forms will be reviewed on a quarterly basis by the PIHP Accountant. Any significant indications of non-compliance will require a plan of correction to be approved by the finance workgroup. This plan should be complete within 30 days, with full compliance no later than 90 days.

**V. APPLICATION:**

CMHAMM PIHP and all affiliate CMHSPs/CAs

**VI. MONITOR AND REVIEW:**

The PIHP's Finance Director ensures compliance with this procedure across the Affiliation with guidance provided by Finance Workgroup. The Director of Affiliation Operations reviews this procedure annually. External review will include MDCFH and CMS site visits and annual financial audits.

**VII. RELATED POLICIES AND PROCEDURES:**

CMHAMM Policy        7.0        Financial Management

**VIII. ATTACHMENT:**

CMHAMM Claims Payment Monitoring Form