BILLING & DENIAL RESOLUTION TUTORING LAB

OCTOBER 2, 2025

- Reminders & Announcements
- Tutoring Session Topics
  - Residential bundled & unbundled services
  - Tutoring Session: Resolving Eligibility Denials
- Open Q&A

REMINDERS & ANNOUNCEMENTS

REMINDERS

Q&A REMINDER

- As a reminder, to ask questions during this lab, please use one the following:

  - Q&A Button

  - Raise Hand Button

BILLING DEADLINES

- FY 24-25
    - Deadlines are still pending
- FY 25-26
    - Deadlines are still pending

BILLING CYCLE

- Billing Cycle
  - Submit claims by the 10th of each month
    - Primary: Fast Service Entry Submission & Replacement Claim Assignment (CMS-1500) forms
    - Secondary: EDI files submitted via SFTP
      - 835 files sent to Provider:
        - State denial(s)
        - Check number entered for EOB
  - SAPC's reasonable timeline for processing payments is 15 calendar days, which falls on the 25th of each month
- Provider Manual 10.0
  - Page 233, "Claim Submission and Reimbursement Process"
  - Link: http://publichealth.lacounty.gov/sapc/bulletins/START-ODS/25-12/SAPC-IN-25-12-Provider-Manual-v10.0-Attachment-I.pdf

HELP DESK TICKET FORMS

- Two different forms for Help Desk tickets
- ServiceNow Create Case Form
  - Tickets go directly to Netsmart
  - Use this form to report Sage system issues
- Request Billing Assistance Form
  - Ticket goes directly to SAPC Finance
  - Use this form to report billing-related issues
  - Link: https://netsmart.service-now.com/plexussupport?id=sc_cat_item&sys_id=1ac545cf1b115e103001a9b6624bcb00&sysparm_category=4cb69d19c3921200b0449f2974d3ae69
- **Note:** Billing-related tickets submitted through the Create Case form will take longer to resolve

COVERED SUD DIAGNOSES

- Episode should have at least one valid primary covered SUD diagnosis (dx)
- SAPC Clinical Standards and Training (CST):
  - Agencies are encouraged to document diagnosed co-morbidities – only as secondary, tertiary diagnoses and so forth (never as primary dx)
- List of covered SUD diagnoses can be found here (Pages 111-122, DMC-ODS Billing Manual 3.0): https://www.dhcs.ca.gov/services/MH/Documents/DMC-ODS-Billing-Manual-SFY2025-26.pdf

ANNOUNCEMENTS

FY25-26 CODE CONFIGURATION UPDATE

Upcoming FY25-26 Code Configuration changes taking effect 10/17/2025.

- Telehealth Modifiers and Places of Service
  - Added the 93 and/or 95 modifiers to a variety of codes as well as place of service 02 and 10 where applicable (For example, 99341:U7:93 or H0007:U7:SC)
  - Detailed information will be shared in the upcoming Sage Provider Communication as well as the revision tab in the FY25-26 Rates Matrix.
- Procedure codes which have reached the maximum of four modifiers and could not accommodate for the clinical trainee modifier have now been updated to include the clinical trainee as an allowable practitioner type. Please check the MSO Provider Config Report to review allowable practitioner types.
  - For example, T1017:U4:U7:HD:SC cannot accommodate the AJ modifier, but now includes the LCSW, LMFT, LPCC Clinical Trainee as an allowable practitioner type.
- Updated Sage code descriptions. For example, includes time increments.
- Updated MAT Medication to include Brand Names. For example, S5001BI.

H0033:U9 BILLED WITH DAY RATE

- SAPC has identified a potential issue with State billing for H0033 delivered to patients in 3.2-WM
- For services submitted to the State during this fiscal year (may impact multiple fiscal year service dates), SAPC has received denials when these services were previously approving.
- We have reached out to DHCS to clarify the denials and will announce when the issue has been resolved.

CO 16 N288 REBILLS

- A recent configuration error in Sage led to an increase in the State Denial CO 16 N288 (claim did not include the rendering provider's taxonomy code)
- This error only impacted services performed by clinical trainees, that were billed to the state in May 2025 and later.
- The configuration error has been corrected, and the impacted services can be rebilled immediately.

ERRONEOUS DAY RATE DENIALS

- MSO KPI – Claim Denial View

Claim Status	Claim Status Reason	Explanation of Coverage
Denied	Duplicate Service	Claim Status has been set to D because of Claim Adjudication Rule tele_amb_detox_dayrate -

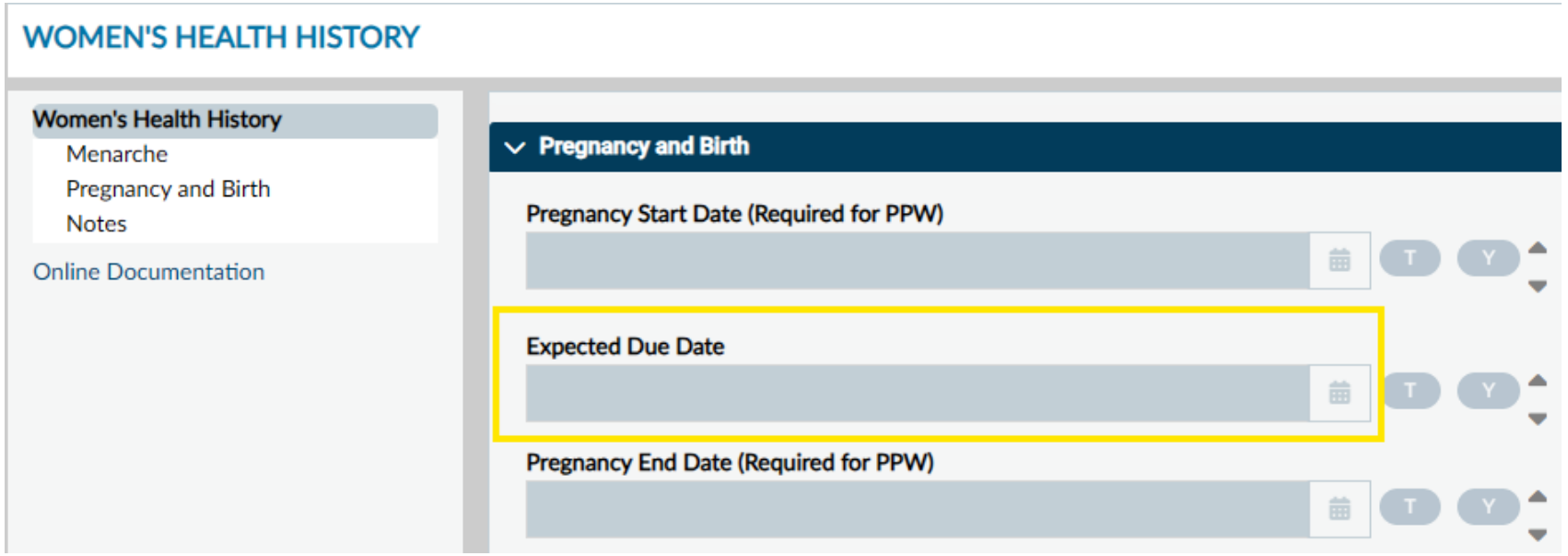
- EOB

DUPLICATE SERVICE
The service was denied for the following reason: Claim Status has been set to D because of Claim Adjudication Rule tele_amb_detox_dayrate - Telehealth Amb Detox Dayrates DMC.

- What we're seeing in terms of billed services:
  - S9976 billed alongside a day rate (i.e. H0019). Whichever got billed second on the same DOS would get denied with the above denial message. This was a Sage configuration error which has now been resolved.
- Denial message changed from "*tele_amb_detox_dayrate – Telehealth Amb Detox Dayrates DMC*" to "*res_dayrate_dmc – Residential Dayrate DMC*" for valid denials.
- Please rebill as a replacement claim using the Replacement Claim Assignment (CMS-1500) form in Sage, and if you're secondary user, rebill as a replacement using your EHR.

WOMEN'S HEALTH HISTORY FORM

- Women's Health History form
  - "Expected Due Date" field empty after filling out and click the Submit button.
  - SAPC has confirmed the data is being saved in the backend, but the date is not displaying in the field after it's been submitted.
  - Netsmart is currently working on a fix.



LOCKOUT CONFIGURATION ISSUES IDENTIFIED

- What do lockout codes look like in the Rates Matrix?
- What will it look like to a provider:
  - Batch Status Report (A/D/P Message) & EOB:

334609SVC.000	637122	341234	DMC	08/10/2025	A	90791:U7	1.0	$1008.68	$1008.68	$0.00	$0.00	$1008.68
334609SVC.000	637122	341234	DMC	08/10/2025	D	90849:U7:XE	1.0	$312.69	$0.00	$312.69	$0.00	$0.00

CLAIM DENIED DUE TO LOCKOUT
The service was denied for the following reason: Claim Status has been set to D because of Claim Adjudication Rule 90849_Lockout - 90849 Lockout.

- What are the next steps?
  - Open a help desk ticket using the Request Billing Assistance form, so that we can can prioritize configuring the codes you are trying to bill.
  - Please hold off on billing lockouts if you are receiving these denials and wait until we configure the affected codes for you.
  - SAPC Finance is currently doing a full review of the lockout codes.

RESIDENTIAL BUNDLED & UNBUNDLED SERVICES

RESIDENTIAL BUNDLED VS. UNBUNDLED SERVICES

- Billing the day rate for residential treatment services – H0019 & H0012
- Bundled services (included in the day rate) by Code Type in the Rates Matrix:
  - Assessment
  - Individual Counseling & Group Counseling
  - Family Therapy
  - SUD Crisis Intervention
- Unbundled services (billed separately from the day rate) by Code Type in the Rates Matrix:
  - Care Coordination
  - Child Care
  - Community Health Workers
  - MAT Services
  - Medication Services
  - Peer Support
  - Recovery Services
  - Residential Room and Board
- Source (Page 40, DMS-ODS Billing Manual 3.0): https://www.dhcs.ca.gov/services/MH/Documents/DMC-ODS-Billing-Manual-SFY2025-26.pdf

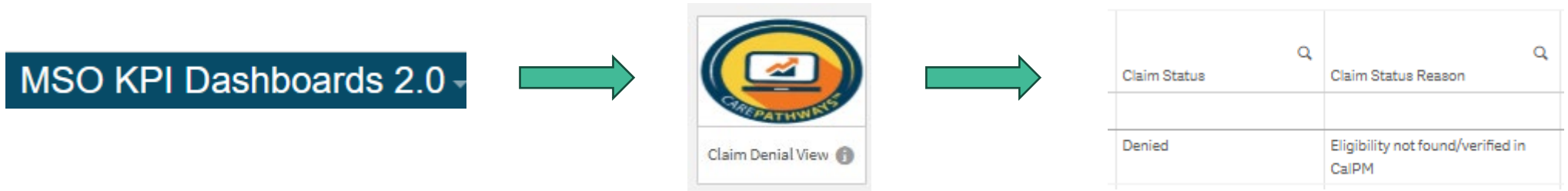
TUTORING SESSION:
RESOLVING ELIGIBILITY DENIALS

RESOLVING ELIGIBILITY DENIALS

- Overview
  - How to identify Local & State eligibility denials
  - How to use the Denial Crosswalk 5.0
  - Denial resolution walkthrough

RESOLVING ELIGIBILITY DENIALS - LOCAL

- How to identify Local eligibility denials
  - MSO KPI – Claim Denial View

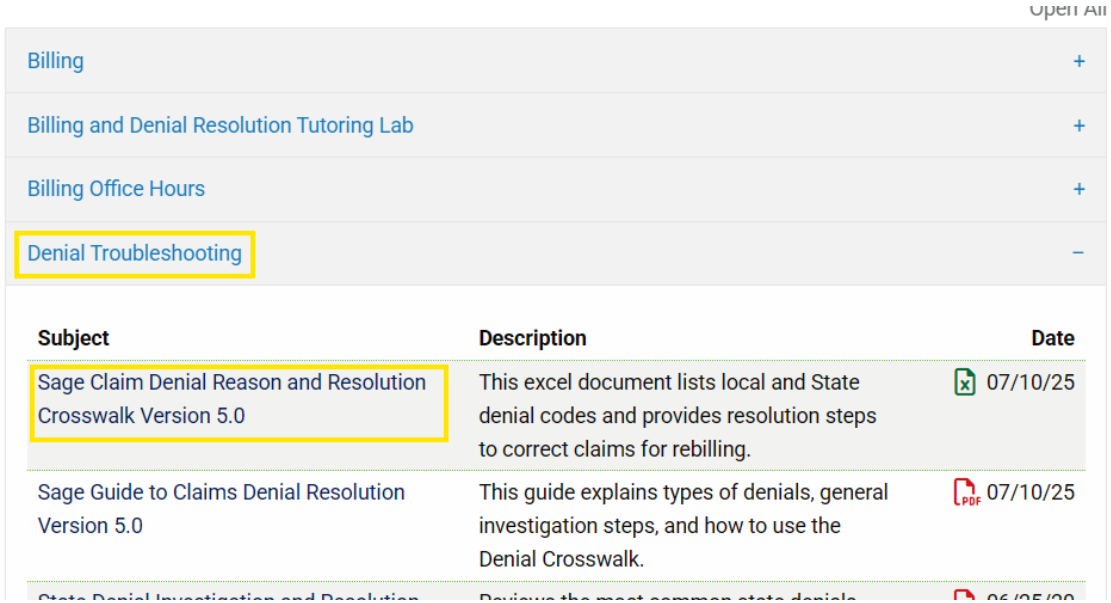


  - EOB

ELIGIBILITY NOT FOUND/VERIFIED IN CALPM
This client is not eligible for this service. Avatar Financial Eligibility Record check failed. Changing claim status to Denied and the reason to Eligibility not found/verified in CalPM.

RESOLVING ELIGIBILITY DENIALS - LOCAL

- How to use the Denial Crosswalk
  - Link: http://publichealth.lacounty.gov/sapc/providers/sage/finance.htm
  - Demo (Downloading -> Filtering -> Searching)

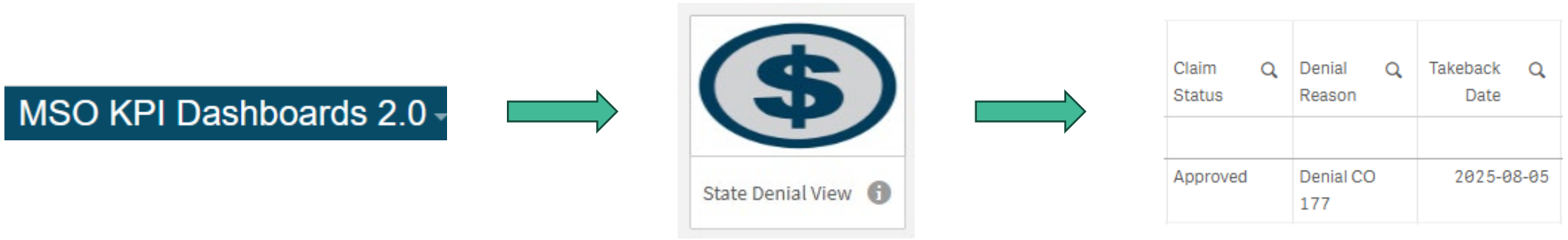


RESOLVING ELIGIBILITY DENIALS - LOCAL

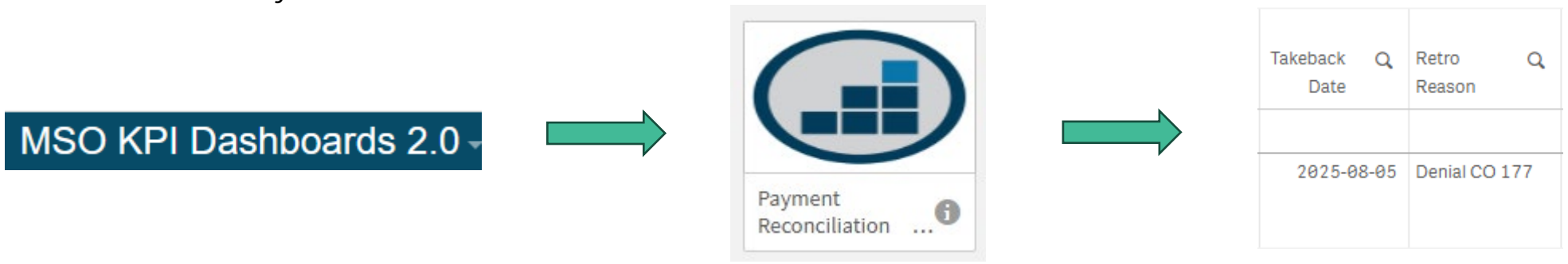
- Resolution Walkthrough
  - Per the denial crosswalk, we need to look at:
    - Subscriber Client Index #,
    - Subscriber Date of Birth,
    - Subscriber address Line 1, State, City, Zip Code,
    - Eligibility Verified, coordination of benefits, Subscriber Assignment of Benefits all must be set to "Yes"
    - Coverage Effective date must be on or before episode admission
    - Verify the client was Medi-Cal eligible for service date billed using the Real-Time 270 Request (This will update the internal MEDS file if outdated)
    - The Provider Diagnosis (ICD-10) must have a valid, DMC approved SUD diagnosis and an admission diagnosis.
    - Date of admission diagnosis must be the episode admission or prior to the service claimed date if readmission.
    - Diagnosis ranking and billing order must match.

RESOLVING ELIGIBILITY DENIALS - STATE

- How to identify State eligibility denials
  - MSO KPI – State Denial View

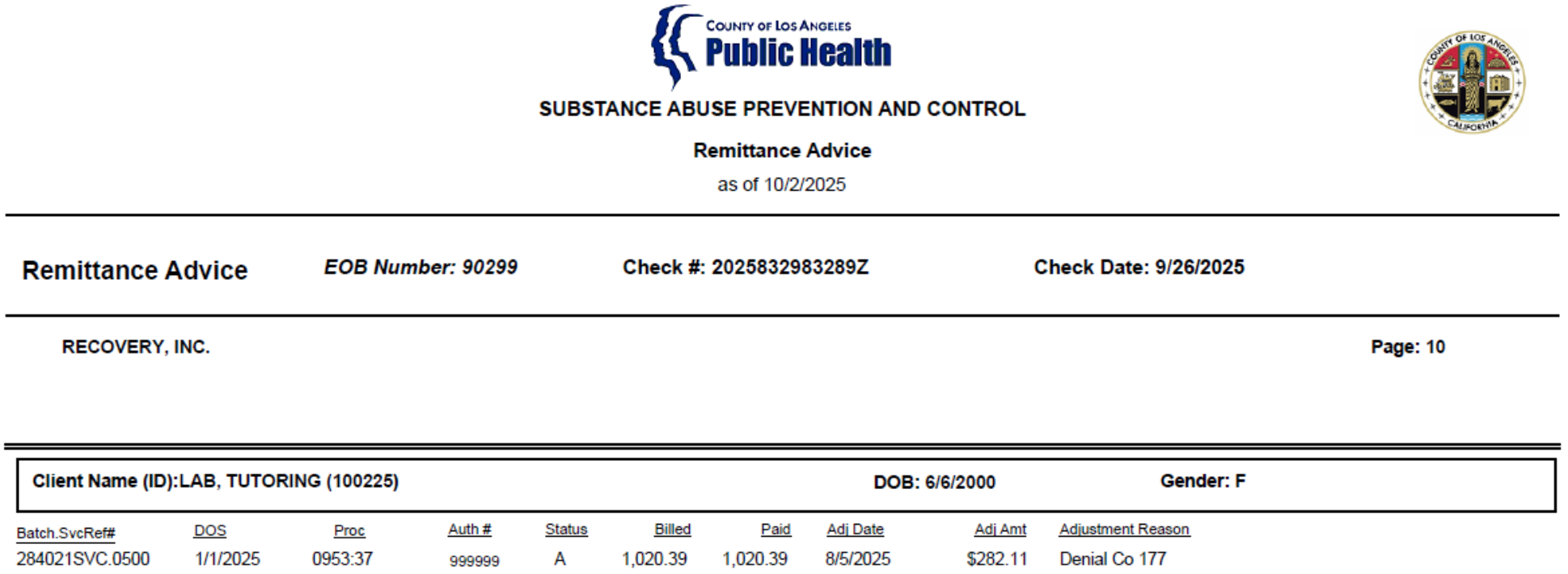


  - MSO KPI – Payment Reconciliation View



RESOLVING ELIGIBILITY DENIALS - STATE

- How to identify State eligibility denials
  - Retro EOB



County of Los Angeles Public Health

SUBSTANCE ABUSE PREVENTION AND CONTROL

Remittance Advice

as of 10/2/2025

Remittance Advice ***EOB Number: 90299*** **Check #: 2025832983289Z** **Check Date: 9/26/2025**

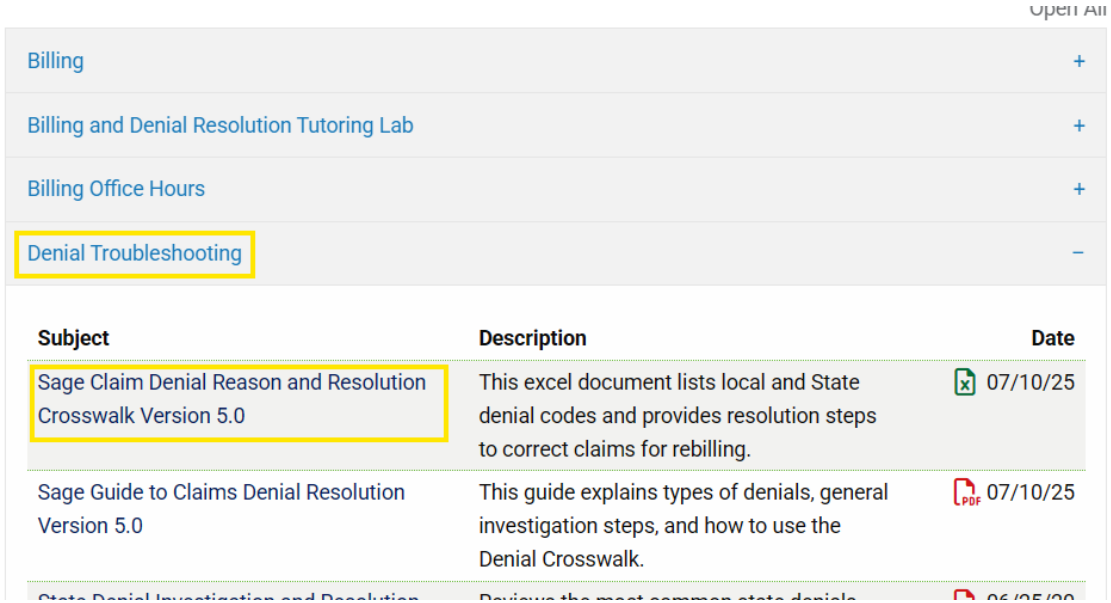
RECOVERY, INC. **Page: 10**

Client Name (ID):LAB, TUTORING (100225) **DOB: 6/6/2000** **Gender: F**

Batch.SvcRef#	DOS	Proc	Auth #	Status	Billed	Paid	Adj Date	Adj Amt	Adjustment Reason
284021SVC.0500	1/1/2025	0953:37	999999	A	1,020.39	1,020.39	8/5/2025	$282.11	Denial Co 177

RESOLVING ELIGIBILITY DENIALS - STATE

- How to use the Denial Crosswalk
  - Link: http://publichealth.lacounty.gov/sapc/providers/sage/finance.htm
  - Demo (Downloading -> Filtering -> Searching)



RESOLVING ELIGIBILITY DENIALS - STATE

- Resolution Walkthrough
  - Per the denial crosswalk, we need to look at:
    - There is OHC that should have been billed first
    - The patient did not have active Medi-Cal for the month of service(s).
    - The Aid Code does not cover DMC services
    - The County Code is not Los Angeles County (19), pre 7/1/2021.
    - The County of Residence or County Code is not Los Angeles County, effective 7/1/2021.
    - The Client Index Number is incorrect on the Financial Eligibility (usually an inverted number)
    - Share of Cost (*note: this resolution step not in current denial crosswalk, will be added soon*)

RESOLVING ELIGIBILITY DENIALS - STATE

- Resources
  - Other Health Coverage Provider Billing Manual: http://publichealth.lacounty.gov/sapc/NetworkProviders/FinanceForms/ohc/SAPCOtherHealthCoverageProviderBillingManual.pdf
  - 270/271 Real-Time Request User Guide: http://publichealth.lacounty.gov/sapc/NetworkProviders/pm/012919/SageMediCalEligibilityVerificationRealTimeProcessUserGuide.pdf
  - Share of Cost Informational Reference: http://ph.lacounty.gov/sapc/docs/providers/sage/finance/Share-of-Cost-Informational-Reference.pdf
  - Aid Code Master Chart from DHCS: https://www.dhcs.ca.gov/provgovpart/Documents/SDMC-Aid-Code-Chart.xlsx

HELPFUL RESOURCES

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- Denial Crosswalk: http://publichealth.lacounty.gov/sapc/NetworkProviders/FinanceForms/DenialCrosswalk/Sage-Claim-Denial-Reason-and-Resolution-Crosswalk-V5.0.xlsx
- Replacement Claim Job Aid: http://publichealth.lacounty.gov/sapc/docs/providers/sage/finance/Job-Aid-Replacement-Claim-Assignment-CMS-1500-Provider-Training.pdf
- Guide to PCNX Reports: http://publichealth.lacounty.gov/sapc/docs/providers/sage/pcnx/PCNX-Guide-Reports.pdf
- Guide to Widgets: http://publichealth.lacounty.gov/sapc/docs/providers/sage/pcnx/PCNX-Guide-Widgets.pdf
- The entire catalog of SAPC Finance Billing Aids: http://publichealth.lacounty.gov/sapc/providers/sage/finance.htm

HELPFUL CONTACTS

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UNIT/BRANCH Contact	EMAIL *Do not send Protected Health Information (PHI) to any SAPC email*	Description of when to contact
Sage Helpdesk	Phone Number: (855) 346-2392 ServiceNow Portal: https://netsmart.service-now.com/plexussupport	All Sage related questions, including billing, denials, medical record modifications, system errors, and technical assistance
Sage Management Division (SMD)	SAGE@ph.lacounty.gov	Sage process, workflow, general questions about Sage forms and usage
QI and UM	SAPC.QI.UM@ph.lacounty.gov UM (626)299-3531- Questions about a specific patient/auth QI (626)-293-2846- Complaints and Appeals	All authorization related questions, questions for the office of the Medical Director, medical necessity, secondary EHR form approval
Systems of Care	SAPC_ASOC@ph.lacounty.gov	Questions about policy, the provider manual, bulletins, and special populations (youth, PPW, criminal justice, homeless)
Health Outcomes and Data Analytics (HODA)	hoda_caloms@ph.lacounty.gov	All questions regarding Sage CalOMS: CalOMS submission guidelines, issues related to CalOMS forms and submissions in Sage, Data Quality Report, and requests for trainings.
Contracts	SAPCMonitoring@ph.lacounty.gov	Questions about general contracts, amendments, appeals, complaints, grievances and/or adverse events. Agency specific contract questions should be directed to the agency CPA if known.
Strategic and Network Development	SUDTransformation@ph.lacounty.gov	DHCS policy, DMC-ODS general questions, SBAT
Clinical Standards and Training (CST)	dsapc.cst@ph.lacounty.gov	Clinical training questions, documentation guidelines, requests for trainings
Finance	sapc-finance@ph.lacounty.gov	General questions related to billing, denials, tier allocation for payment reform. For specific denial questions, please open a Sage Helpdesk Ticket.

Greg Schwarz


OPEN Q&A