Sage Update:
BILLING DENIAL CODES

Los Angeles County's Substance Use Disorder Information System

Substance Abuse Prevention and Control
County of Los Angeles Health Agency & Department of Public Health

All Provider Meeting: April 5, 2018

Outline

- Provider Diagnosis (ICD-10) Form
- Password Reset
- Outage Policies & Procedures
- Sage Updates
- Device Enrollment Limit
- Understanding the Billing Process
  - Pre- & Post-ODS
  - Billing Denial Codes & Common Denial Reasons
- "Big Picture" – Billing Status

sage
Substance Use Disorder Information System

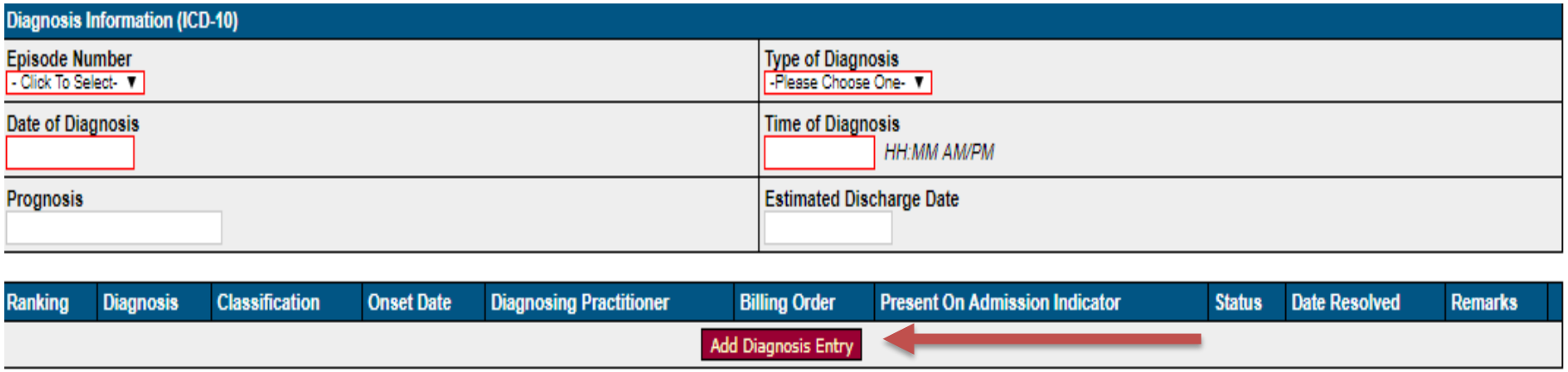
Provider Diagnosis (ICD-10) Form

- **Providers are REQUIRED to enter a diagnosis in the Provider Diagnosis (ICD-10) Form within Sage in order to bill for services.**
  - Many providers are mistakenly entering a diagnosis in the "Diagnosis" field of the Authorization Request Form, instead of entering a diagnosis in the Provider Diagnosis (ICD-10) Form.
  - Providers should NOT enter a diagnosis into the Diagnosis field in the **Authorization Form**, and should leave this field blank.

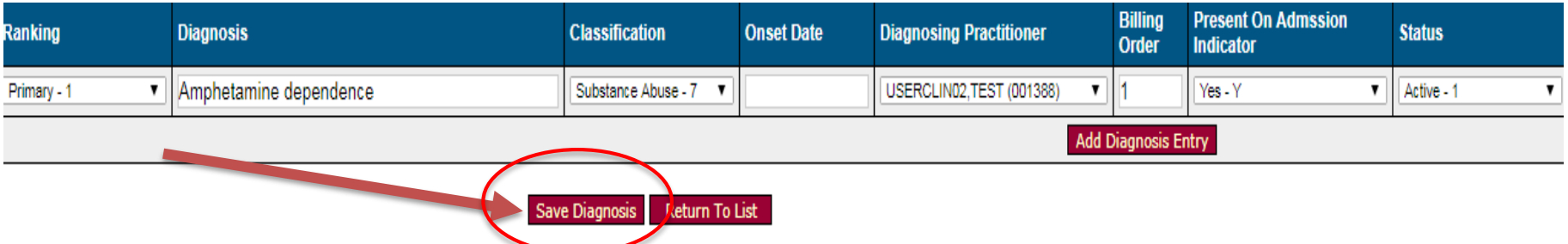
- **Since the majority of missing diagnoses were fixed when this issue was raised over the past 2 All Provider Meetings, there have been at least 300 new cases with missing diagnoses in the Provider Diagnosis (ICD-10) Form → PLEASE SHARE THIS REQUIREMENT TO ENTER A DIAGNOSIS IN THIS SAGE FORM WITH YOUR STAFF!**

Provider Diagnosis (ICD-10) Form (cont'd)

- **Must enter an admission diagnosis that corresponds to the diagnosis on the ASAM assessment (if severity does not match, please use miscellaneous note to explain the discrepancy).**
- **Selecting Admission under type of diagnosis will automatically populate the date of diagnosis as the current date of admission, as noted on the provider admission tab in chart.**



- **The save diagnosis button must be clicked in order to submit the diagnosis to the chart.**



Authorization Request Form

- Do **NOT** enter a diagnosis on the Authorization Request Form.

Authorization Request

Client Information		
CLIENT NAME Monster Child	MEMBER ID 11	PROVIDER NAME Recovery, Inc.

Authorization Dates		
Authorization Requested Start Date:		Set authorization for [ ] days Set
Authorization Requested End Date:		

Care Manager	
CARE MANAGER ASSIGNED:	DATE ASSIGNED:

Authorization Information		
AUTHORIZATION NUMBER:	CURRENT AUTHORIZATION STATUS:	CURRENT AUTHORIZATION STATUS REASON:
AUTHORIZED LEVEL OF CARE:	TYPE OF AUTHORIZATION:	PERFORMING PROVIDER TYPE:
PLANNED ADMIT DATE:	INITIAL OR CONTINUING AUTH:	NEXT REVIEW DATE:

Diagnosis	
Primary Diagnosis	
Secondary Diagnosis	

Do NOT enter diagnosis in this field.

Password Resets

- **Due to County technical and security requirement, Sage passwords expire every 90 days and need to be updated/reset.**
  - In future, County will have a process to provide automatic reminders for Sage users 20 days prior to the expiration of their passwords to facilitate smoother password resets.

Outage Policies & Procedures

- **SAPC Bulletin 17-11**
  - **Providers must develop and implement Outage Policies and Procedures in the event of planned or unplanned Sage outages**
  - Sage outages may result from:
    - Unforeseen events of unknown duration
      - E.g., technical issues with servers, provider agency internet issues, etc
    - Scheduled Maintenance/Updates
      - Every effort is made to schedule these during down times

Having Outage Policies and Procedures allows providers to be prepared in the event of the unexpected

Providers should keep copies of the following hard-copy forms in the event of an outage with Sage:

- ❑ Current Patient Roster
- ❑ ASAM Assessment
- ❑ Service Request Form Template
- ❑ Treatment Plan Template
- ❑ Miscellaneous Note Template
- ❑ Discharge and Transfer Form Template
- ❑ Recovery Bridge Housing Authorization & Discharge Form
- ❑ Billing Related Documents
- ❑ Consents, Admission, Discharge Forms

http://publichealth.lacounty.gov/sapc/Bulletins/START-ODS/Bulletin17-11SageOutage.pdf

Sage Updates

Sage is an evolving system that will undergo continuous updates to improve functionality and user experience.

Updates may result from:

- Provider/Sage user requests
- Common issues identified via Help Desk
- SAPC Requests
- Regularly scheduled updates from Netsmart

How Will I Know What's New with Sage?

SAPC will notify Sage Users of upcoming updates and their impact:

- **News Section on Sage**
  - Users see the News Section at the beginning of every log-in
- **SAPC Email Listserv**
  - Providers' responsibility to share with appropriate staff
- **Email to All Current Sage Users**
  - Sent to email provided by users to create account

Remember to read updates to ensure understanding of Sage system changes!

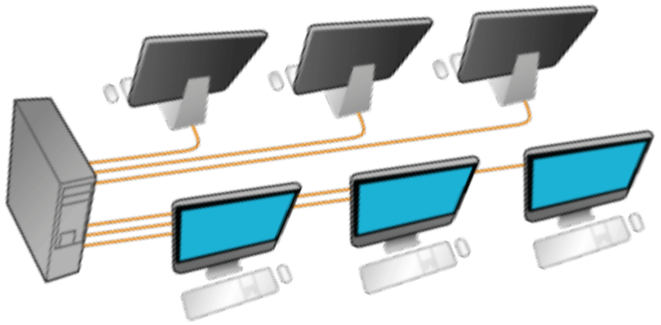
Device Enrollment Limit

Device enrollment limit has been in increased from 5 to 15

- Allows greater access for staff who need to use multiple computers, sometimes from different sites

- Follow regular device enrollment procedure available on SAPC Sage website: http://publichealth.lacounty.gov/sapc/Sage/SageInfo.htm
  - See Device Enrollment bullet under the section titled "Sage Provider Enrollment Information"

Providers should monitor device utilization by all their Sage users to ensure coordinated management of device enrollment



Billing – Before and After DMC-ODS & Sage

Contract Amount

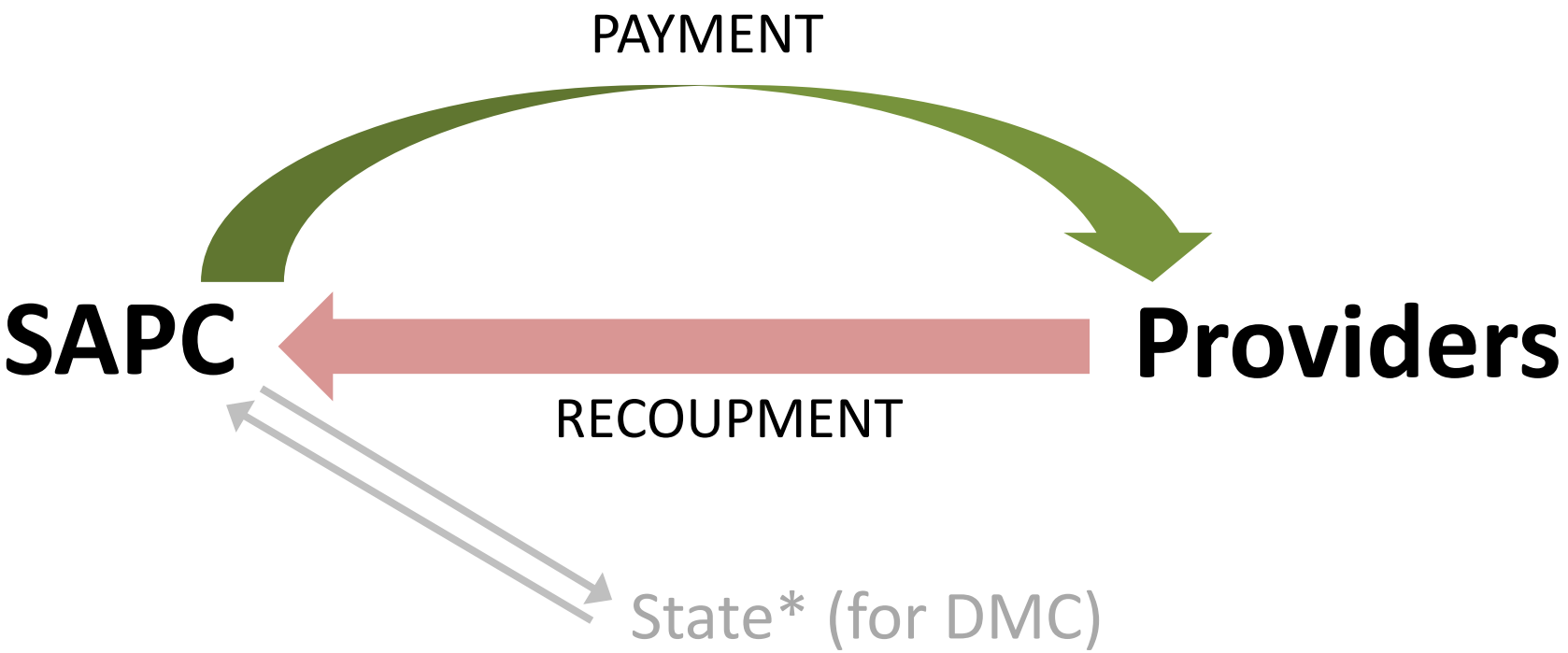
- **Pre-ODS**
  - Contract capped to fixed contract amount for the majority of providers who were not DMC providers.
  - Contract requirements were specific to the funding stream.
- **Post-ODS & Post-Sage**
  - Adjustable contract cap that providers can request to increase, as needed, based on volume of patients served and services provided
    - SAPC working with Netsmart so providers have access to a report they can run to determine when they are nearing the adjustable contract cap so they know when to ask for an increase.
  - Contract requirements largely specific to State DMC rules given DMC is now primary payer → DMC payment rules are tighter than non-DMC due to medical necessity, service authorizations, and need to meet financial eligibility.

Billing – Before and After DMC-ODS & Sage (cont'd)

Payment to Provider

- **Pre-ODS**
  - SAPC paid providers based on validation of claims to the contract, which varied by funding stream.
  - Medical necessity and service authorizations not required because most providers were not DMC providers, so payments were processed without this filtering process.
- **Post-ODS and Post-Sage**
  - SAPC pays providers based on DMC-ODS requirements (medical necessity, service authorizations, financial eligibility), then submits claims to State.
  - Providers need to address denials on the front end before they receive payment. Since DMC payment rules are tighter than pre-ODS payment rules, a certain percentage of denials will be unavoidable/legitimate.
    - In other words, some denied claims can be fixed, others cannot because they are unavoidable/legitimate.
  - While the required upfront validation process (medical necessity, service authorizations, financial eligibility) results in denied claims with financial impact on the front end, the unpredictability of back end reconciliations is also reduced as a result.

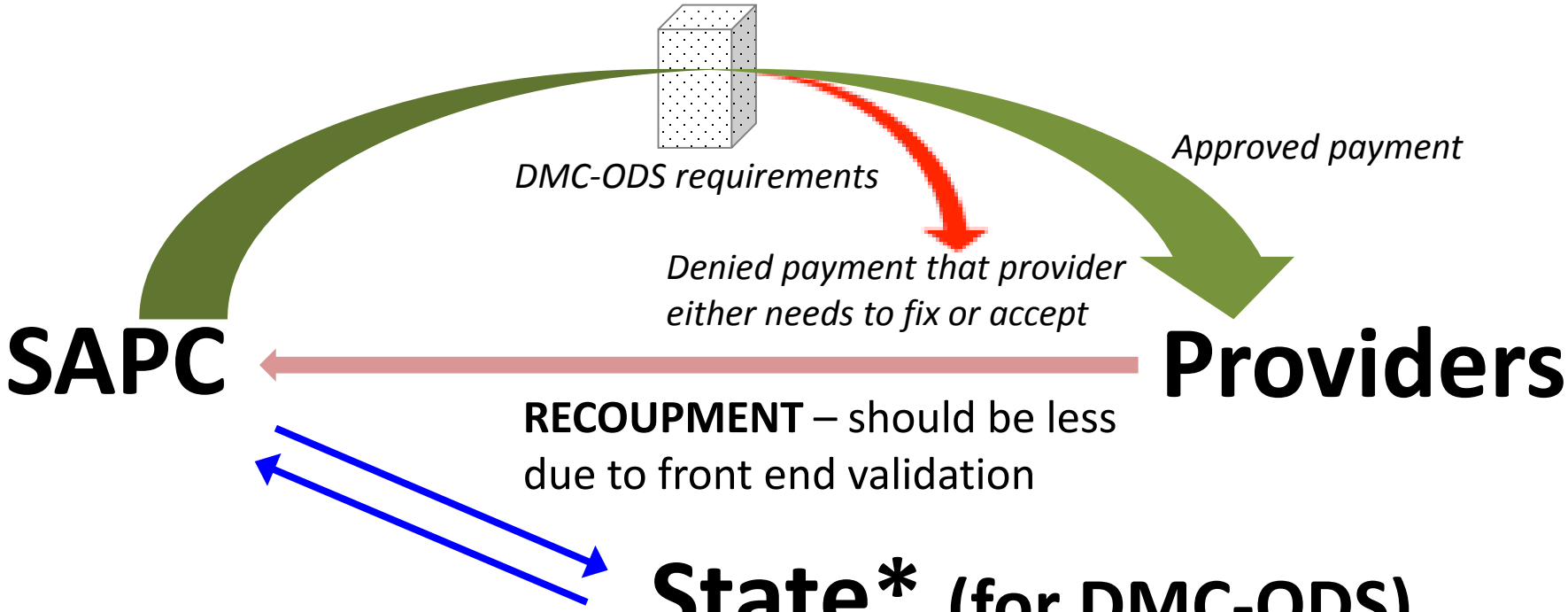
Billing – ***BEFORE*** DMC-ODS & Sage



*Minimal claims went to the State prior to DMC-ODS because DMC was such a small payer of SAPC services

Billing – *AFTER* DMC-ODS & Sage

Prior to **PAYMENT**, SAPC & Sage validates payment for DMC-ODS requirements of medical necessity, service authorizations, and financial eligibility



*Majority of claims go to the State given that DMC has become the primary payer of SAPC services with DMC-ODS

Reasons for Claim Denials

- **Claims may be denied for multiple reasons, including:**
  - Incorrect/missing information (Financial Eligibility Form info, Provider Diagnosis (ICD-10) Form)
    - *See prior All Provider Meeting slides from 2/8/18 and 3/8/18 for additional details*
  - Patient not eligible (e.g., income too high, non-County resident)
  - Service authorization denial
  - Lack of funds in contract (provider would just need to request an increase in adjustable contract cap)

Current average denial rate across SAPC providers is 17 – 20%, but this number can/should be reduced with time as providers and staff get accustomed to using and billing on Sage

A certain proportion of denials are unavoidable in managed care systems

Dealing with Denial(s)

Advantage:

- You are all trained SUD treatment professionals.
- You are experts at identifying and confronting denial.

Goal is to:

- Identify commonly occurring denial reason codes.
- Provide practical understanding of denial reason codes and what they mean.
- Identify next steps that are needed to address the denial reason codes.
- Learn to distinguish between fixable denial codes and those that not fixable (e.g., appropriate denials).

Common Denial Reason #1:
Eligibility not found/verified in Cal PM

Translation: There is one or more eligibility elements with missing information.

Claim Status	Claim Status Reason	Explanation of Coverage
Denied	Eligibility not found/verified in CalPM	Blank

Common Denial Reason #1:
Eligibility Not Found/Verified in Cal PM

What to do if you are a Primary Sage User (Provider Connect)?

Forms to check:

1. Financial Eligibility Form
2. Provider Diagnosis (ICD-10) Form

Troubleshooting steps:

1. Does the client have a financial eligibility form completed?
2. If the client has a Financial Eligibility defined as Drug MediCal as the primary guarantor, are the following fields filled in:
    a. Subscriber Client Index #
    b. Subscriber Birth Date
    c. Subscriber Address Line 1: State, City, Zip Code
    d. Eligibility Verified set to 'Yes'
3. Does the client have an Primary Diagnosis in the Provider Diagnosis (ICD-10) form

What to do if you are a Secondary Sage User?

Troubleshooting steps:

1. Ensure that you have completed all required fields for Financial Eligibility as specified above.
2. Ensure you have a primary diagnosis entered.
3. Contact Help Desk if not resolved.

Common Denial Reason #2:
Diagnosis For Authorization is Not Found On Claim

Translation: There is a diagnosis on the Authorization Request Form that does not perfectly match what is on the Provider Diagnosis (ICD-10) Form.

Claim Status	Claim Status Reason	Explanation of Coverage
Denied	Eligibility not found/verified in CalPM	Diagnosis For Authorization Is Not Specified On Claim

Common Denial Reason #2:

Diagnosis For Authorization is not Found On Claim

What to do if you are a Primary Sage User (Provider Connect)?

Forms to check:

1. Authorization Request Form
2. Professional Treatment Form

Troubleshooting steps:

1. Does the Authorization Request Form have a diagnosis?
   - If you find a diagnosis on this form, please contact SAPC QI & UM Staff Member who assisted with your authorization who will assist in removing the diagnosis from the Authorization Request Form.
   - Resubmit your claim.
2. Does the Professional Treatment form contain a diagnosis?
   - If Yes, then remove diagnosis and resubmit your claim.

What to do if you are a Secondary Sage User?

Troubleshooting steps:

1. Ensure that you have completed primary diagnosis.
2. Contact Help Desk if not resolved.

Authorization Request Form

- Do **NOT** enter a diagnosis on the Authorization Request Form.

Authorization Request

Client Information		
CLIENT NAME Monster Child	MEMBER ID 11	PROVIDER NAME Recovery, Inc.

Authorization Dates		
Authorization Requested Start Date:		Set authorization for [ ] days Set
Authorization Requested End Date:		

Care Manager	
CARE MANAGER ASSIGNED:	DATE ASSIGNED:

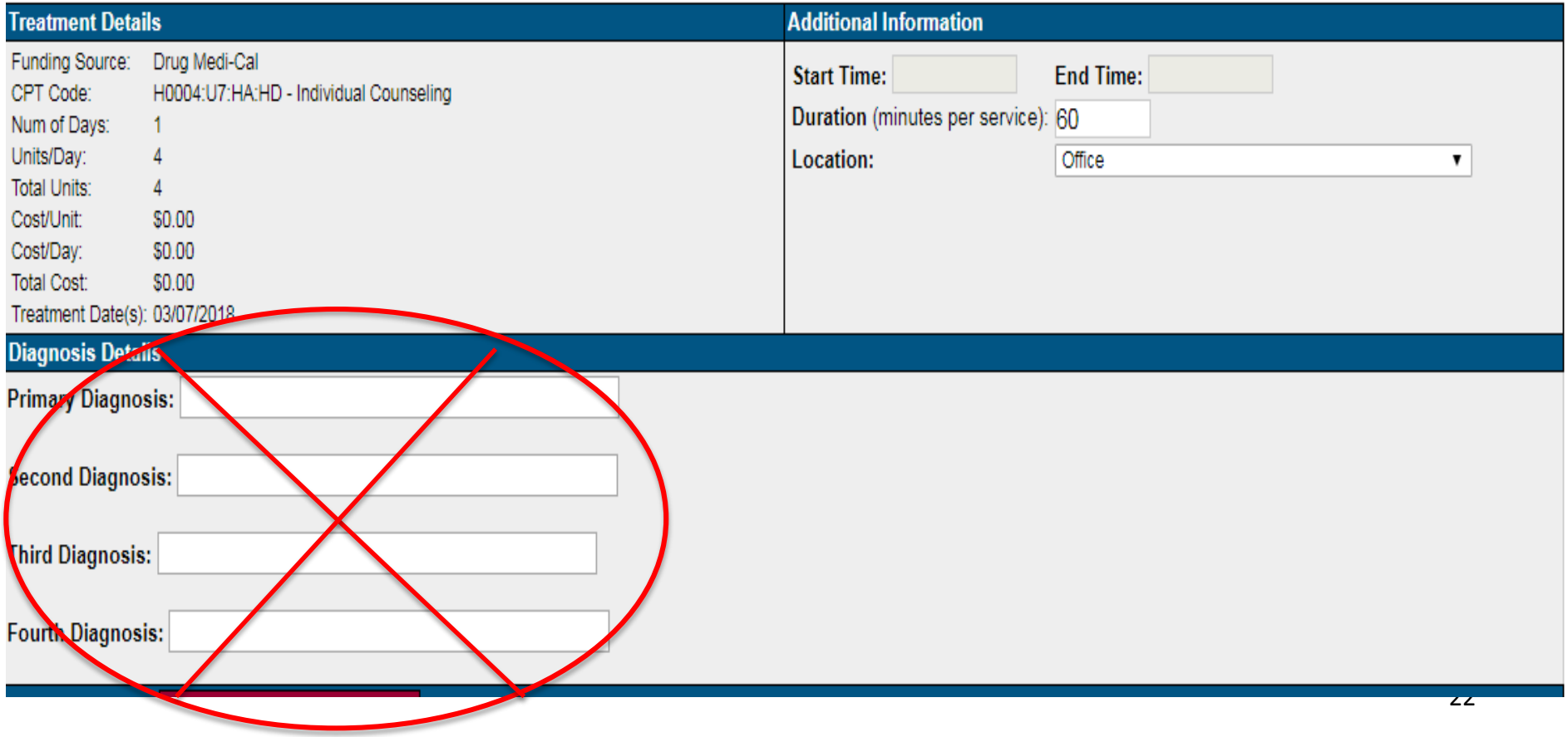
Authorization Information		
AUTHORIZATION NUMBER:	CURRENT AUTHORIZATION STATUS:	CURRENT AUTHORIZATION STATUS REASON:
AUTHORIZED LEVEL OF CARE:	TYPE OF AUTHORIZATION:	PERFORMING PROVIDER TYPE:
PLANNED ADMIT DATE:	INITIAL OR CONTINUING AUTH:	NEXT REVIEW DATE:

Diagnosis	
Primary Diagnosis	
Secondary Diagnosis	

Do NOT enter diagnosis in this field.

Professional Treatment Form

- **Do NOT enter a diagnosis on the Professional Treatment Form → may cause billing errors.**



Common Denial Reason #3:
Invalid Authorization Number

Translation: Professional treatment was submitted using an incorrect authorization number. This can be a "Member Authorization" or "Provider Authorization" (Secondary Sage Users).

Claim Status	Claim Status Reason	Explanation of Coverage
Denied	No Entry	Invalid authorization number

Common Denial Reason #3:
Invalid Authorization Number

What to do if you are a Primary Sage User (Provider Connect)?	**Forms to check:** none. **Troubleshooting steps:** Not Applicable. This is an denial reason that applies to secondary providers.
What to do if you are a Secondary Sage User?	**Troubleshooting steps:** 1. Confirm that you have an authorization number for your client 2. Confirm that you have a Provider Authorization number for your site. 3. Contact Help Desk if not resolved.

Common Denial Reason #4:
Contracting Provider Program Not Valid For Authorization

Translation: Treatment/claim was submitted under a program that is not specified on the authorization that was selected.

Claim Status	Claim Status Reason	Explanation of Coverage
Denied	No Entry	Contracted Provider Program Not Valid For Authorization

Common Denial Reason #4: Contracting Provider Program Not Valid For Authorization

What to do if you are a Primary Sage User (Provider Connect)?

Forms to check:

1. Professional Treatment Form (Authorization Field)
2. Service Authorization Form (if applicable, to verify Authorization #)

Troubleshooting steps:

1. Was your member authorization ***submitted*** and ***approved*** ?
2. Did you select the correct ***program (e.g. location)*** on the Service Authorization Form?
   - If not, you need to contact your SAPC UM staff member to rescind this authorization and re-submit with Service Authorization Form with correct location
3. When completing the Professional Treatment Form, did you:
   - select the correct ***authorization number*** for your client?
   - select the appropriate **Member Auth number**? **PAuth Number**
   - select the correct ***program (e.g. location).***
   - If no, then resubmit claim after selecting correct info above.

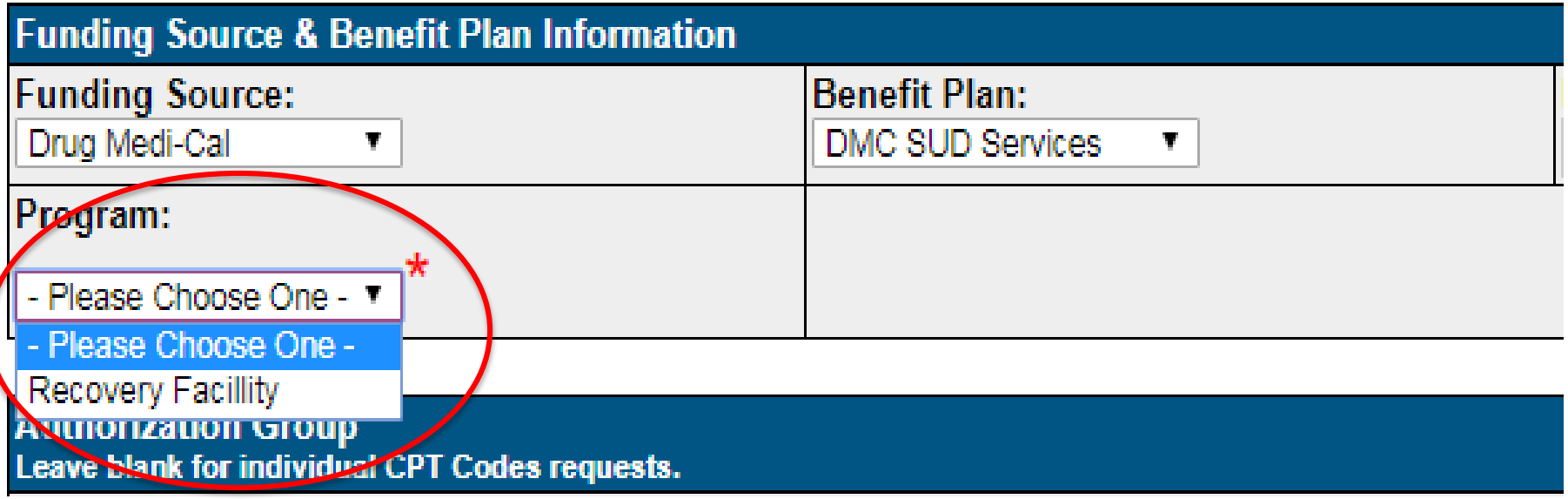
What to do if you are a Secondary Sage User?

Troubleshooting steps:

1. verify the correct program is specified on the authorization number referenced in the claim.
2. Contact Help Desk if not resolved.

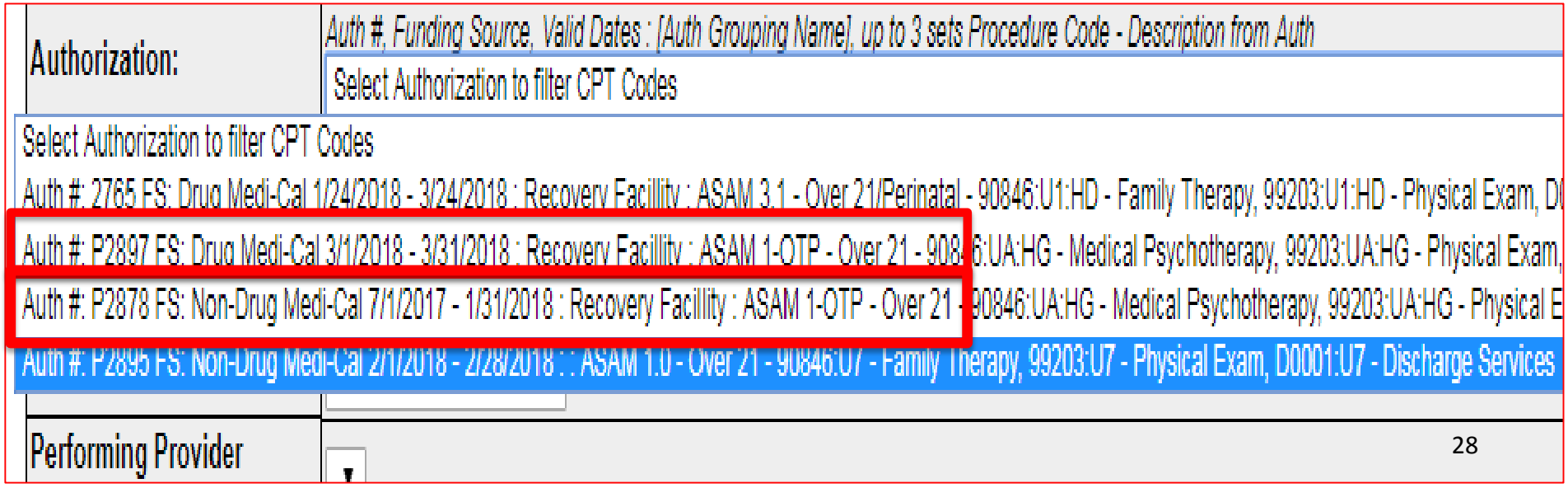
Authorization Request Form
Program Selection

- **The program on the Authorization request form corresponds to the provider agency where treatment is being delivered.**
  - **If an agency has multiple sites, be sure to select the correct program where this patient is being treated.**



Professional Treatment Form

- Each Auth # corresponds to a **Funding Source**, **Dates of Service**, **Age Group**, **ASAM LOC**, and **Treatment Location**.
  - Many agencies have multiple Treatment Locations, with different locations having different provider authorizations to select from when entering a Professional Treatment
  - Any authorization number that begins with a P (e.g. PAuths) corresponds to Non-Authorized Levels of Care
  - Authorization numbers that that DO NOT start with a P correspond to an Authorized Service (e.g. Member Authorizations).



Common Denial Reason #5:
Service Occurs During a Claims Blackout

Translation: The service you are attempting to bill for occurs during a period where a claims blackout is actively in place.

Claim Status	Claim Status Reason	Explanation of Coverage
Denied	Eligibility not found/verified in CalPM	This service occurs during a claim processing blackout.

Common Denial Reason #5:
Service Occurs During a Claims Blackout

What to do if you are a Primary Sage User (Provider Connect)?

Forms to check:

1. Client Eligibility Verification Report

Troubleshooting steps:

1. Run the Client Eligibility Verification Report.
2. Does the client have their eligibility established for the dates of service that you are requesting?

- If Yes, contact the help desk to determine if a claims blackout in in place.
- If No, then:
    1. Verify all needed medical necessity components are in the chart.
    2. Contact your SAPC UM Staff Person or SAPC UM 626-299-3531.

What to do if you are a Secondary Sage User?

Troubleshooting steps:

1) Does the client have their eligibility established for the dates of service that you are requesting?

- If Yes, contact help desk to determine if a claims blackout in in place.
- If No, then:
    1. Verify all needed medical necessity components are in the chart.
    2. Contact your SAPC UM Staff Person or SAPC UM 626-299-3531.

Coming Soon!

Sage Denial Decoder Ring

"Big Picture" – Billing Status

- SAPC & Netsmart are acutely aware of billing challenges providers are experiencing and have been working with urgency to reduce denial rates… and will need your help as well!

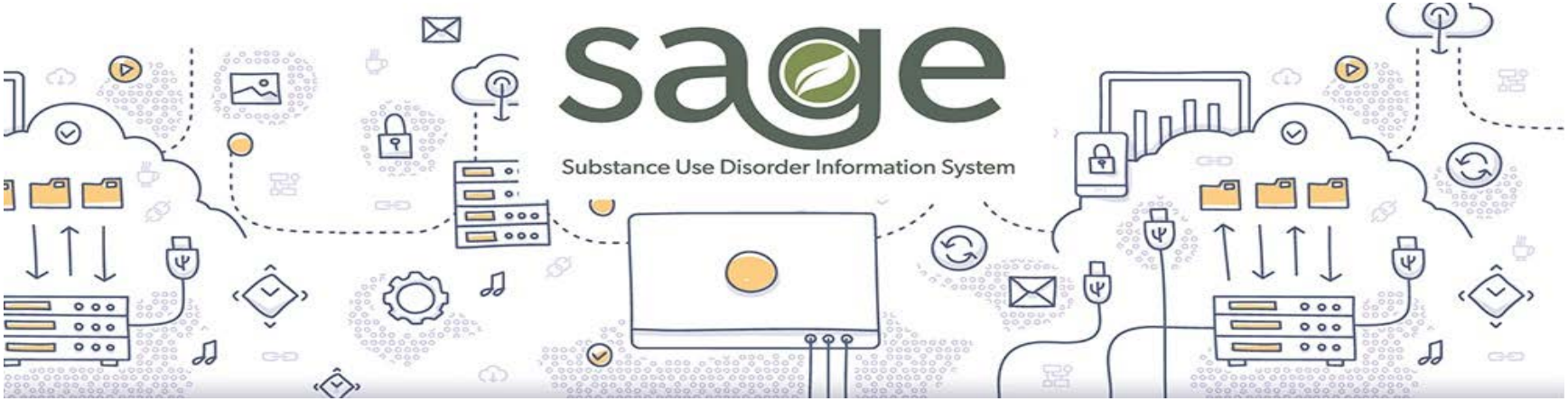
- **Key Interventions**
  - Internal dashboard to help track various Sage-related metrics and progress.
  - Identification and contacting of providers with high rate of denials to assist with resolution.
  - **Detailed billing trainings → Need providers to communicate this information to staff!**
    - **Billing overview with highlights** (2/8/18 All Provider Meeting slides)
    - **Step-by-step billing instructions** (3/8/18 All Provider Meeting slides)
    - **Billing denial reasons** (4/5/18 All Provider Meeting slides)
    - **Billing denial remediation** (COMING SOON!)

"Big Picture" – Billing Status (cont'd)

- **Progress**
  - Downward trend of pending authorizations since January
  - Billing to DMC more than doubled every month starting from December (Sage launch)
  - Claims approved and payments to providers have more than tripled from February to March
    - Exceeding 80% claim approvals in March → Looking forward to making continued progress with claim approval rate with billing trainings for providers
  - DMC billing exceeded projected targets in both Feb & March
  - SAPC & Netsmart working on streamlined claims resubmission process

Where To Go For Help

- **SAPC's Sage Website**
  - http://publichealth.lacounty.gov/sapc/Sage/SageInfo.htm



- **Contains information on:**
  - Frequently Asked Questions (FAQs)
  - Instructions on managing user access – onboarding/offboarding staff
  - Training calendar
  - … and more

Where To Go For Help (cont'd)

- **Sage Webinar Training Series**
- **SAPC's Sage Website**
  - http://publichealth.lacounty.gov/sapc/Sage/Sageinfo.htm
- **Training Resources**
  - **ASAM CONTINUUM™ and Triage Tool Training Videos**
    - http://asamcontinuum.org/knowledgebase/video-comprehensive-continuum-orientation/
  - **Basic Computer Skills**: Web-based trainings by Netsmart are available by emailing LearningServices@ntst.com

- **Sage Help Desk –** (855) 346-2392
- **Sage Help Desk Portal** https://netsmart.service-now.com/plexussupport
- **Sage email –** Sage@ph.lacounty.gov