



Information for Providers on New Claims Cycle and Payment Dates

The Department of Health and Hospitals has enhanced its process for reviewing Medicaid claims to incorporate pre-payment screening, and introduced a [new payment calendar](#) for Medicaid claims this fiscal year. This change in Medicaid business processes allows DHH to more closely examine claims and make sure payments are proper before they are made.

Historically, Louisiana Medicaid typically paid claims within 7-8 days, which meant DHH did not detect improper billing practices until after payment, and then had to seek repayment after the fact. Many times, the fraudulent provider went out of business, and the money was never returned. This added time allows for increased screening at the beginning of the payment process, using predictive analytics and advanced algorithms, to ensure payments are proper before they are made.

Because of this added review time, check write dates have been adjusted throughout the year, and two hold weeks are built into the calendar to move Medicaid claims payments toward an approximately 21-day cycle. DHH used the hold week time to begin implementing pre-payment claims screening, and claims submitted in the hold week were pulled for screening and will be paid on the next week's check write date, pushing claim payments back a week.

The first Medicaid claims hold week was the week of February 26, 2012. There is no remittance advice available on the Molina website, www.lamedicaid.com, for this week because there was no check write date. The first hold week moves Medicaid payments to an approximately 14-day cycle. Providers should expect payment only for one week of claims on the next check write date.

Because of the pre-payment screenings for fraud, waste and abuse, providers will begin seeing new codes on their remittance advices through Molina. These codes are related to the screening procedures, and are explained below:

- *Error Code 241*- Claim in process (short); claim held for pre-payment review (long). This message will appear for **every** claim submitted, and means the claim is being held for pre-payment screening. **Providers will begin to see an approximate 14-day waiting period between when claims are submitted and when they are paid.** For those claims selected for pre-payment review, Molina will pend these claims until the provider submits any necessary documentation. If the provider does not submit the requested documentation within 60 days, the claim will be zero paid.

While Error Code 241 indicates claims are being screened and will appear for every claim submitted, there are two codes providers will see if a claim is zero paid based on the pre-pay review process.

- *Error Code 551* - Pre-pay review 0 pay (short); zero paid due to pre-payment review. This will be used for claims that are zero paid based on the pre-payment review of the claim.

- *Error Code 501*-Cannot adjust pre-pay (short message); cannot adjust zero-paid claim from pre-pay review process (long). This code appears if a provider tries to resubmit a claim that was previously submitted and zero paid (see Error Code 551 –above). This code blocks submission of duplicate claims.

Please note that a second hold week will take place the week of June 3, 2012. After this hold week, the payment cycle will reach an approximately 21-day review period between when claims are submitted and when they are paid. The 21-day claims review and payment cycle will be used ongoing.

Providers should be aware that these changes in Medicaid business and claims payment processes are not related to BAYOU HEALTH implementation. Molina processes and pays claims for fee-for-service Medicaid. Molina also will handle claims payment and processing for the two BAYOU HEALTH shared savings Plans – Community Health Solutions and United Healthcare – and providers enrolled with these Plans will be paid on the revised schedule. If you are enrolled with one of the three prepaid BAYOU HEALTH Plans – Amerigroup Real Solutions, LaCare, Louisiana Healthcare Connections – this schedule does not apply to when they issue payments, and you should check with those Plans to receive their payment schedules.

Please be aware that this added review time through the hold weeks will push back the payment schedule, but does not alter reimbursement for services. Providers will still be paid for claims submitted at the published Medicaid rate in effect on the day the service was performed, but will receive payments on a longer cycle than Medicaid has used in the past.

We appreciate your patience as we enhance our business processes for the Medicaid program. Any questions can be directed to Molina Provider Relations at 1-800-473-2783 or 225-924-5040.