

Alice LaBansky, Manager

Operations Section, DMAP

Authorized Signature

Number:

DMAP-IM-06-175

Issue Date:

10/11/2006

Topic: Medical Benefits

Subject: DMAP Provider Audits

Applies to (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> All DHS Employees | <input type="checkbox"/> County Mental Health Directors |
| <input type="checkbox"/> Area Agencies on Aging | <input type="checkbox"/> Health Services |
| <input type="checkbox"/> Children, Adults and Families | <input type="checkbox"/> Seniors and People with Disabilities |
| <input type="checkbox"/> County DD Program Managers | <input checked="" type="checkbox"/> Other (please specify): <u>DHS staff and others identified on the SPD, CAF, AMH and DMAP transmittal lists</u> |

Message:

DMAP is contracting with a private firm, HWT, to assist in reducing Medicaid overpayments by analyzing DMAP practitioner payment statistics and recovering inappropriate payments. Following this transmittal is a copy of a letter that will be sent to DMAP practitioners, introducing HWT and explaining our contract with them and the activities that will be taking place.

If you have any questions about this information, contact:

| | |
|-----------------|---|
| Contact: | Terry Layman, Manager DMAP Provider Services |
| Phone: | (503) 945-6501 |
| E-mail: | terry.layman@state.or.us Fax: |



Oregon

Theodore R. Kulongoski, Governor

Department of Human Services
Division of Medical Assistance Programs
500 Summer Street NE, E44
Salem, OR 97301-1079
Voice - (503) 945-5772
FAX - (503) 373-7689
TTY - (503) 378-6791

October 5, 2006

To: DMAP Medical Assistance Providers

From: Alice LaBansky, Manager
Operations Section, DMAP



Subject: Overpayment Audits

The Department of Human Services (DHS) has contracted with HWT, Inc. to perform post-payment analysis of Medicaid health care claims paid by the *Division of Medical Assistance Programs (DMAP). In the near future, you may receive a letter from HWT identifying claims submitted by your office that appear to have been overpaid.

HWT works exclusively with state Medicaid agencies and offers a comprehensive set of solutions for the identification, recovery, and prevention of overpayments. They have completed an analysis of paid claims data, relevant medical policies, and payment procedures and, as a result, will initiate a variety of post-payment review activities, some of which will directly involve DMAP provider billings.

If HWT contacts you about a post-payment analysis, you will have an opportunity to agree with all of the findings and make full payment, or to disagree with the findings. Disagreeing with the findings involves the following process:

- HWT will ask you to submit medical documentation supporting your position that the claims in question were billed and paid appropriately.
- After reviewing the submitted documentation, HWT will send a revised letter identifying which claims, if any, still involve an overpayment.
- If you disagree with the revised overpayment amount, you may request an Informal Reconsideration with HWT.
- If the Informal Reconsideration still supports the overpayment findings, HWT will send you another letter. If you still disagree with the findings, you may appeal any overpayment determination in accordance with provisions of OAR 410-120-1570. Otherwise, HWT will ask you to return all overpaid amounts to DHS.

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HWT's review activities will address various types of providers, including hospitals, physicians, and pharmacies. For physicians, HWT's initial review activities will focus on reviewing claims billed on the CMS 1500 form for the National Correct Coding Initiative (NCCI) as follows:

1. **Comprehensive Code Unbundling Edits (C0001):** Scenarios in which two procedures were reimbursed when performance of the second procedure is considered to be included in reimbursement for the first procedure.
2. **Mutually Exclusive Edits (C0002):** Scenarios in which two procedures were reimbursed when the procedures themselves are considered to be mutually exclusive, i.e., they cannot reasonably be performed at the same session by the same provider on the same beneficiary.

If you get an overpayment letter from HWT, it will provide more specific information regarding documentation submission requirements, applicable time frames, fair hearing processes, and how to contact the HWT Provider Relations staff.

* DHS has changed OMAP's name to Division of Medical Assistance Programs (DMAP).