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Owner Deabra Hardrick-Crump: Claims Administrator
Policy Area Claims Management

Claims Adjudication Policy

POLICY

It is the policy of the Detroit Wayne Integrated Health Network (DWIHN) to ensure that claims and encounters are adjudicated on a timely and consistent basis.

PURPOSE

It is crucial that claims and encounters are adjudicated in a timely and consistent basis to ensure that:

1. The providers in our networks are fairly compensated.
2. DWIHN has the necessary information concerning services and costs that can be used for submission to MDHHS.
3. DWIHN has the necessary information for contract compliance, Quality, Utilization Management and other reporting needs.

APPLICATION

1. This policy applies to the DWIHN, Providers and their sub-contractors.
2. This policy serves the following populations: Adults, Children, I/DD, SMI/SEI, SED,SUD, Autism
3. This policy impacts the following **contracts/service lines**: All DWIHN contracts / service lines that require the submission of claims or encounter data.

KEYWORDS

1. Claims Adjudication: The process through which claims and encounters that are submitted to DWIHN are scrutinized for benefit package/coverage requirements, completeness and accuracy to determine payment to a provider and/or cost of service.

STANDARDS

1. DWIHN and their sub-contractors are responsible for adjudicating claims/encounters no less than twice a month.
2. DWIHN and their sub-contractors must use a commercially available adjudication software package.
3. DWIHN and their sub-contractors must use a well-documented and tightly managed claims adjudication process with the ability to track systems and organization performance against established metrics.
4. DWIHN and their sub-contractors must have a division of labor/responsibility between system/provider set-up and the processing & adjudication of claims (one person cannot set rates in the system and also adjudicate claims).
5. Claim payments must follow the scope of services in DWIHN and their sub-contractors contract.
6. Claim payments must follow the rules in DWIHN Coding Manual.
7. DWIHN and their sub-contractors must use HIPAA standard transactions in receiving and sending claims and payment information to their providers.
8. DWIHN and their sub-contractors must have a standard set of edits to determine proper adjudication.
9. DWIHN and their sub-contractors must produce an Explanation of Benefits document for at least 10% of the consumers that are served by its network.

QUALITY ASSURANCE/IMPROVEMENT

DWIHN shall review and monitor contractor adherence to this policy as one element in its network management program, and as one element of the QAPIP Goals and Objectives.

The providers their subcontractor's and direct contractor's quality improvement program must include measures for both the monitoring of and the continuous improvement of the program or process described in this policy.

COMPLIANCE WITH ALL APPLICABLE LAWS

DWIHN staff, providers, their subcontractors, and direct contractors are bound by all applicable local, state, and federal laws, rules, regulations, and policies, all federal waiver requirements, state and county contractual requirements, policies and administrative directives in effect as may be amended.

LEGAL AUTHORITY

1. Michigan Mental Health Code Act 258, PA 258 of 1974, as revised
2. Department of Community Health Administrative Rules
3. Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program (PIHP/CMHSP contracts in effect, and as amended)

4. Integrated Care Organizations (ICOs) contracts

RELATED POLICIES

1. [Claims Processing Policy](#)
2. [Data Submission and Completeness](#)

CLINICAL POLICY

NO

INTERNAL/EXTERNAL POLICY

EXTERNAL

Approval Signatures

Step Description	Approver	Date
Final Approval	Eric Doeh: President and CEO	02/2023
Stakeholder Feedback	Allison Smith: Project Manager, PMP	02/2023