

**Statement of Findings**  
**MetroPlus Health Plan, Inc. Behavioral**  
**Health RootCause Analysis December**  
**1, 2017 - May 31, 2018**  
**Survey ID# 1331649050**

**10.21 Mental Health Services**

d) The Contractor shall reimburse any OMH licensed provider, including out of network providers, at Medicaid Fee for Service rates for 24 months from the effective date of the Behavioral Health Benefit Inclusion in each geographic service area for ambulatory mental health services provided to Enrollees.

**Finding:**

Based on the review of Plan-submitted monthly claims reports which demonstrated persistently high claim denials for behavioral health services (ACT, PROS, HCBS, Partial Hospitalization, and CPEP) over a period of six months from 12/1/17-5/31/18, as well as information contained in the subsequent August and December 2018 Root-Cause analysis submissions which were requested by New York State to explain the reasons for such high denial rates, the Plan failed to reimburse providers at Medicaid Fee for Service and/or APG rates for ambulatory behavioral health services due to a configuration error in their Behavioral Health vendor Beacon's FlexCare claims platform which led to the inappropriate set-up of provider profiles.

**Response:**

MetroPlus Health Plan (hereinafter "MetroPlus") is providing this Plan of Correction (POC) in response to the Statement of Deficiency and Statement of Findings dated May 23, 2019 in re: inappropriately reimbursed Diversionary Services claims for the period of December 1, 2017 - May 31, 2018. This response addresses diversionary claims that were either inappropriately denied or paid at incorrect rates. *The Plan's response was rejected in July 2019 – this constitutes our amended response.*

**Background and Context**

Beacon Health Options (hereinafter "Beacon") has been driving the remediation efforts to address issues with Diversionary Services Claims payments for several months. Beacon's approach included multiple steps:

**System Enhancements.**

As part of the NYS OMH claims remediation effort, Beacon implemented several new claims system enhancements for their FlexCare claims processing platform.

These enhancements include:

- *Implementation of standard fee schedules* to eliminate the need for custom fee schedules which reduces the risk of data entry errors and decreases the time needed to set up a fee schedule in the system. This uses a FlexCare functionality, referred to as the "grouper".
- *Creation of a new system functionality to manage rates that pay at a percentage of a base rate.* This new FlexCare field ("Inflator") can be configured to automatically calculate a specific fee, eliminating manual calculations and data entry. This reduces the risk of incorrect claims payment due to offline calculations of exceptions to standard rates.
  - For example, when a provider is contracted for services at a higher than base rate, (i.e: Medicaid), the provider's rates are increased or decreased by percentage of the default rate.
- *Pending claims for denial reasons that may be due to Beacon errors.*

We have selected certain denial reasons to pend for review to reduce the risk of inappropriate denials. The claims queues are monitored and reviewed daily – any noted potential errors are sent to the appropriate teams to resolve and ensure adjudication within regulatory payment timeframes.

**Conduct systematic review of provider records.**

- Beacon identified the universe of possible claims impacted. The scope of remediation per the State's notice is for Diversionary Services (ACT, PROS, CPEP, Partial Hospitalization, and HCBS) for dates of service from December 1, 2017 – May 31, 2018.
  - *The total number of affected claims was 17,589.*
- Beacon then identified any issues with provider demographic data, benefit setup, and fee schedule accuracy and determined the number of affected providers requiring updates.

□ 536 providers were updated.

**Remediation of provider data errors and fee schedules.**

o Beacon updated provider fee schedules for all Diversionary Services. Beacon utilized the *NY Office of Mental Health (OMH) "Government Rate Services Table"* (<https://www.omh.ny.gov/omhweb/bho/policy-guidance.html#billing>) in conjunction with rates listed on the *OMH "Medicaid Reimbursement Rates"* page ([https://www.omh.ny.gov/omhweb/medicaid\\_reimbursement/](https://www.omh.ny.gov/omhweb/medicaid_reimbursement/)) to define established government rates for each of the diversionary services. Beacon cross-referenced contracted providers with "Government Rates Service Table" to ensure that contracted providers had rates loaded for the sites and services listed on this table. Beacon also cross-referenced the rates with the "Medicaid Reimbursement Rates" page to ensure that rates matched for each timeframe. Rates were updated from 10/1/15 to current, including 1/1/19 rate increases. Beacon also reviewed provider contracts to ensure that contracted benefits were loaded to provider profile and added any missing benefits.

- o Beacon outreached to providers to obtain current demographic information and updated provider records appropriately.
  - 536 providers received updates. The list is attached "**Impacted Provider Sites\_20190503**" and includes provider ID only.
- o As of January 11, 2019, all Diversionary Services (ACT, PROS, HCBS, Partial Hospitalization, and CPEP) have correct rates for all providers.
  - Beacon staff compared the requirements (fee schedule) to the system configuration to validate the data for each provider. **All claims have been paid and neither Beacon nor MetroPlus have been notified of any issues with providers.**

Rate monitoring is a collaboration between Beacon's Network Department and Provider Data Team and MetroPlus. The Network Department monitors rates, requests for updates, and the Provider Data Team executes system changes. The Network department monitors the NYS DOH, OMH, and OASAS websites quarterly. Moving forward, MetroPlus will require Beacon to provide Attestations of Completion whenever updates or system changes are required.

**Conduct Claims reprocessing of inappropriately denied or incorrectly priced claims.**

In addition to reprocessing the claims for the period in question of December 1, 2017 – May 31, 2018 once the rates were corrected on January 11, 2019. Beacon did a sweep of claims back to October 1, 2015 and reprocessed and paid all affected claims.

Attached for your review is a summary explaining: (1) how Beacon identified the affected claims and (2) the criteria used to determine the appropriateness of claims denials.



Beacon Review Processes.docx

All Diversionary Claims have been paying correctly since January 11, 2019. See 4-part attestation (attached)



Final Root Cause Analysis Claims Atte:

**Review of Current State**

Claims denial rates are dropping. Reporting for the month of April had all rates below the NYS signaling threshold; see column (A) below compared to column(C). The volumes of the claim receipts have much to do with the overall percentages.

- By way of example, there were only 34 Partial hospitalization claims received with 11 denials during April. 3 of the 11 denials were for 'member coverage not valid' therefore the true denial should be lower at 23%.
- There were a total of 384 ACT claims received during the month and 146 denials. The denials do not necessarily correlate with the receipts per state instructions. Of the 146 denials, the 'true' denials were calculated at 42, bringing the number down to 11%.

The fluctuation has much to do with volumes and timing. There are many duplicate claims in the mix which is very common in reprocessing exercises.

*Note: Signaling threshold below (column C) is from Slide 3 of New York State OMH PPT, “NYS Thresholds\_2018\_July10”* Further, it should be noted that, when denials due to “Reprocessing” and “Duplicates” are removed from the claim counts in column (A), the denial rates drop even further; see Column (B) for the “Adjusted Denial Rate”.

	(A) MetroPlus Denial Rate (April 2019)*	(B) MetroPlus Adjusted Denial Rate (April 2019)	(C) NY OMH Signaling Threshold Rate
Assertive Community Treatment (ACT)	38%	11%	40%
Comprehensive Psychiatric Emergency Programs (CPEP)	3%	0%	15%
Partial Hospital	32%	32%	40%
Personalized Recovery Oriented Service (PROS)	12%	12%	25%
Home and Community Based Services (HCBS)	13%	11%	15%

\*As reported in the April period (May report) for the monthly “ClaimStat” report to MetroPlus and NYS.

As part of the claims reprocessing effort, Beacon developed reconciliation reporting to track how much of the Diversionary Services claims had been accounted for out of the original claims in question.

Beacon’s Transformation and Regional Operations Teams, headed by Karen Lenard Vice President, Account Partnerships, are in the process of correcting payments on all outstanding claims. The outstanding claims have been categorized by root cause. New projects were initiated to resolve and reprocess the outstanding claims and the estimated completion date is the end of August 2019.

- o As of May 22, 2019, reprocessing has been completed for 90% of all the dollars in question for Diversionary Services. The “Outstanding” category includes claims that had the initial inappropriate denial reason resolved, but uncovered other issues requiring further research.

Beacon anticipates that the universe of claims “outstanding” will be complete by the end of August 2019.

Category	Paid (A)	Appropriate Denials (B)	Outstanding (C)	Grand Total (D=A+B+C)	Percentage (Sum(A+B)/D)
Diversionsary Services	\$263,670	\$217,858	\$56,036	\$537,563	90%

Progress updates will be run monthly and be distributed to the MetroPlus team the last Friday of each month.

- o During remediation activities from Dec 2018 through April 2019, Beacon and MetroPlus implemented the State-directed Advanced Payment Program (APP) to fund MetroPlus providers who had claims concerns for Diversionsary Services affected by inappropriate denials or payment with incorrect rates. Beacon/MetroPlus reprocessed all Diversionsary Claims in scope for the APP. No advanced payments were required.

**Plan of Correction**

Beacon/MetroPlus believes that the issue of failing to reimburse providers at the correct ambulatory and diversionsary behavioral health care rates for the period in question has been resolved because we have: reduced the claims denial rates for Diversionsary Services, Investigated and corrected the underlying root causes for inappropriate denials and underpayments in the claims system, and Reconciled the dollars remediated to the dollars expected,

To ensure the integrity of these changes, Beacon/MetroPlus will apply the following monitoring regimen to ensure any emergent issues are quickly identified and remediated.

Period	Activity	Metrics
6 months: 1 June – 30 Nov	1) Monitor monthly denial rates for Diversionsary services to ensure alignment with signaling thresholds 2) Complete reconciliation reporting identified in 2.b) above.	1) Current denial rates at or below signaling thresholds 2) Complete remediation of the remaining 10% of claims dollars mentioned above in 2.b.

- o *Timetable: The remediation is in process and currently being completed monthly by the Transformation Team and Regional Operations Team. This remediation will include monthly progress reporting and applicable attestations to MetroPlus.*

Additionally, MetroPlus has hired, Cristina Gonzalez, Manager of Behavioral Health Claims to oversee and ensure that Beacon continues to apply and engage in the above efforts and to ensure that payments made on the Plan’s behalf are accurate, timely and complete. As part of her oversight responsibilities, Ms. Gonzalez will conduct monthly audits to ensure that there are no errors in the Plan’s and/or Beacon’s payment of claims.

Ms. Gonzalez recently conducted her initial audit as Claims Manager. The audit was conducted as follows:

- Ms. Gonzalez pulled 4% of all claims submitted as ACT, PROS, HCBS, CPEP and Partial Hospitalization for dates of service from December 1, 2017 through May 31, 2018 and the first quarter of 2019. Her goal was to

identify whether payments made during the above-timeframes were compliant with rates requirements as published by the New York State Office of Mental Health. Below are her findings:

- All claims reprocessed during the latter part of 2018 and early 2019 have paid according to the Medicaid Fee Schedule.