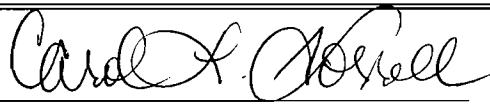

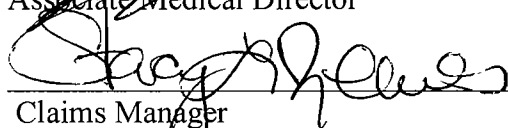



**KERN HEALTH SYSTEMS  
POLICIES AND PROCEDURES**

SUBJECT: Practitioner/Provider Disputes Regarding Pharmacy Claims Payment		INDEX NUMBER 13.05-P	Page 1 of 5				
RESPONSIBLE DEPARTMENT HEAD: Corporate Pharmacist							
Review Date	04/2009						
Effective Date	04/28/09						
Revision No.	2009-04						

Approved		Date	4/28/09
	Carol Sorrell, R.N. Chief Executive Officer		
Approved		Date	4-20-09
	Associate Medical Director		
Approved		Date	4/13/09
	Claims Manager		
Approved		Date	April 13, 2009
	Corporate Pharmacist		

**POLICY<sup>1</sup>:**

Kern Health Systems (KHS) shall establish and maintain a fast, fair, and cost-effective dispute resolution mechanism to process and resolve practitioner/provider disputes (disputes). Contracting and non-contracting<sup>2</sup> practitioners/providers shall have the opportunity to dispute pharmacy claims that have been denied or modified.

Only those disputes regarding pharmacy claims payment are subject to this policy and procedure. This includes non-contracted practitioner/provider disputes regarding the appropriateness of KHS' computation of the reasonable and customary value<sup>3</sup>.

Disputes submitted on behalf of an enrollee or a group of enrollees will be processed according to *KHS Policy and Procedure #5.01 – Grievance Process*.<sup>4</sup> Disputes regarding authorizations will be processed according to *KHS Policy and Procedure #3.49 – Practitioner/Provider Disputes Regarding Authorization*. Disputes regarding non-pharmacy claims payment will be processed according to *KHS Policy and Procedure #6.04 – Practitioner/Provider Disputes Regarding Claims Payment*. Disputes regarding all other issues will be processed according to *KHS Policy and Procedure #4.03 – Practitioner/Provider Disputes Regarding Issues Other than Authorization and Claims Payment*.

Disputes will be processed in accordance with the statutory, regulatory, and contractual requirements outlined in the following sources:

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- California Health and Safety Code §§ 1367(h), 1371, and 1371.1
- CCR Title 28 §§1300.71, and 1300.71.38
- DHS Contract §6.5.4.5

**PURPOSE:**

To establish a procedure for disputing pharmacy claims that have been denied or modified.

**DEFINITIONS:**

<b>Dispute<sup>5</sup></b>	A contracted or non-contracted practitioner's/provider's written notice to KHS challenging, appealing, or requesting reconsideration of a claim (or a bundled group of substantially similar multiple claims that are individually numbered) that has been denied, adjusted or contested or seeking resolution of a billing determination or disputing a request for reimbursement of an overpayment of a claim that contains the information required by Section 1.3 of this procedure.
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**PROCEDURE<sup>6</sup>:**

**1.0 DISPUTES SUBMITTED TO THE PHARMACY BENEFITS MANAGER**

The KHS contract Pharmacy Benefits Manager (PBM) has a dispute process through which providers may resolve pharmacy claims disputes. Providers are encouraged, but not required, to first utilize the PBM dispute process before submitting a dispute to KHS.

All remaining sections of this procedure relate to the KHS dispute process.

**2.0 SUBMISSION OF DISPUTE<sup>7</sup>**

Disputes should be mailed to the following addresses:

Pharmacy Department<sup>8</sup>  
Kern Family Health Care  
9700 Stockdale Highway  
Bakersfield, CA 93311

Disputes may be physically delivered to 9700 Stockdale Highway, Bakersfield, California.<sup>9</sup>

Substantially similar multiple claims disputes may be filed in batches as a single dispute, provided that such disputes are submitted in the following format<sup>10</sup>:

- A. Batched by similar issue
- B. One *Provider Pharmacy Claims Dispute Resolution Request* form completed for each batch

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**2.1 Deadlines**

Disputes must be submitted to KHS within 365 calendar days of the date of KHS' action, or in the case of inaction, 365 calendar days after the time for contesting/denying claims has expired.<sup>11</sup>

Disputes that are returned for additional information must be resubmitted to KHS within 30 working days of the date of receipt.

**2.2 Format**

Disputes must be submitted using a *Provider Pharmacy Claims Dispute Resolution Request* form. (See Attachment A). Simple resubmission of the claim is not sufficient to qualify as a dispute. Claims resubmitted without the appropriate form will be denied as a duplicate claim.

**2.3 Content**

Disputes must contain the following information<sup>12</sup>:

- A. Practitioner/provider name
- B. Practitioner/provider tax identification number
- C. Practitioner/provider contact information
- D. Clear identification of the disputed item
- E. Date of service
- F. Clear explanation of the basis upon which the provider believes the payment amount, request for additional information, request for reimbursement for the overpayment of a claim, contest, denial, adjustment, or other action is incorrect
- G. Provider dispute number. This number is the same number assigned to the original claim.<sup>13</sup>

Disputes that do not contain all the necessary information are returned to the practitioner/provider.

**2.4 Supporting Documentation**

Supporting documentation must accompany all disputes. It is not necessary to resubmit supporting documentation that was submitted with the original claim.<sup>14</sup>

**3.0 ACKNOWLEDGEMENT<sup>15</sup>**

To acknowledge receipt of a provider dispute, the *Provider Pharmacy Claims Dispute Resolution Request* form is signed upon receipt by KHS Pharmacy staff and a copy is submitted to the practitioner/provider within 15 working days of the date of receipt.

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**4.0 PROCESSING**

**4.1 First Level Dispute**

Practitioners/providers should use the original claim number to identify the dispute.<sup>16</sup>

**4.1.1 Administrative Dispute**

Upon receipt of an administrative dispute, the KHS Pharmacy Department reviews the facts surrounding the claim and, within 45 working days<sup>17</sup> of the date of receipt, issues any necessary claim adjustment (including appropriate interest due) and a written determination either granting the dispute in whole or in part or denying the dispute. The written determination states the pertinent facts and explains the reasons for the determination.<sup>18</sup>

Non-contracting Medi-Cal providers have the right to a second-level dispute with the Department of Health Care Services. All other providers have the right to a second-level dispute with the Chief Executive Officer within 10 calendar days of the date of the decision.

**4.1.2 Clinical Necessity Dispute**

Upon receipt of a clinical necessity dispute, the Medical Director independently reviews the facts surrounding the claim and forwards his/her decision to the Pharmacy Department. The clinical necessity review and any required notice is performed as if the practitioner/provider submitted a request for authorization in accordance with the guidelines outlined in *KHS Policy and Procedure #13.01 – Non-Formulary Treatment Requests*. Within 45 working days<sup>17</sup> of the date of receipt, the Pharmacy Department issues any necessary claim adjustment (including appropriate interest due) and a written decision either granting the dispute in whole or in part or denying the dispute.

Non-contracting Medi-Cal providers have the right to a second-level appeal with the Department of Health Care Services. All other practitioners/providers have the right to a second-level dispute with the Chief Executive Officer within 10 calendar days of the date of the decision.

**4.2 Second-Level Dispute**

With the exception of the deadline, second level disputes must be submitted and are acknowledged in the same manner as first level disputes. Practitioners/providers should use the original claim number to identify the dispute.<sup>16</sup>

Non-contracted Medi-Cal providers do not have the right to a second dispute with KHS. For informational purposes only, all second-level disputes from such providers are forwarded to the CEO.

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Upon receipt of a second-level dispute from a qualifying provider, the CEO independently reviews the facts surrounding the claim and, within 45 working days<sup>17</sup> of receipt, issues both any necessary claim adjustment (including appropriate interest due) and a written determination either granting the dispute in whole or in part or denying the dispute. The written determination states the pertinent facts and explains the reasons for the determination.<sup>19</sup>

The decision by the Chief Executive Officer is final.

## 5.0 INQUIRIES REGARDING DISPUTES

Practitioners/providers can make inquiries regarding disputes by calling 1-800-391-2000.<sup>20</sup>

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## ATTACHMENTS

❖ Attachment A – *Provider Claims Dispute Resolution Request*

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<sup>1</sup> **Revision 2009-04:** Policy reviewed by Corporate Pharmacist, no revision needed. Not reviewed by the AIS Department.  
**Revision 2003-XX:** Updated KHS address and phone numbers 9/14/05. Revised to comply with new AB1455 DMHC Regs (effective 01/01/04). Changed title from “Appeal of Denied or Modified Claims”. **Revision 2001-08:** Clarify denial codes for appeals, add HFAM PO Box, lengthen submission/response deadlines.

<sup>2</sup> HSC §1367(h)(2)

<sup>3</sup> CCR Title 28 §1300.71(g)(3)

<sup>4</sup> CCR Title 28 §1300.71.38(c)(4)

<sup>5</sup> CCR Title 28§1300.71.38(a)(1)

<sup>6</sup> Required disclosure: All claim dispute requirements. (60.04 §5.0)

<sup>7</sup> Required disclosure: Directions (including the mailing address) for the electronic submission (if available), physical delivery, and mailing of provider disputes. (60.04 §5.0)

<sup>8</sup> Required disclosure: Identity of the office responsible for receiving and resolving provider disputes(60.04 §5.0)

<sup>9</sup> CCR Title 28 §1300.71(l)(3)

<sup>10</sup> Required disclosure: Directions for filing substantially similar multiple claims disputes in batches (60.04 §5.0)

<sup>11</sup> CCR Title 38 §1300.71.38(d)(1)

<sup>12</sup> CCR Title 28§1300.71.38(a)(1)

<sup>13</sup> CCR Title 28 §1300.71.38(c)(1)

<sup>14</sup> CCR Title 28 §1300.71.38(d)(2)

<sup>15</sup> CCR Title 28 §1300.71.38(e); CCR Title 28 §1300.71(l)(3). Required disclosure: timeframe for acknowledgement (60.04 §5.0)

<sup>16</sup> CCR Title 28 §1300.71.38(c)(1)

<sup>17</sup> 45 day timelimit; CCR Title 28 §1300.71.38(f). Technically allowed 5 days beyond issuance of determination to make payment. We will issue both simultaneously.

<sup>18</sup> CCR Title 28 §1300.71(f)

<sup>19</sup> CCR Title 28 §1300.71(f)

<sup>20</sup> CCR Title 28 §1300.71(l)(3). Required disclosure: Phone number for inquiries and filing information (60.04 §5.0)

# PROVIDER PHARMACY CLAIMS DISPUTE RESOLUTION REQUEST

**NOTE: SUBMISSION OF THIS FORM CONSTITUTES AGREEMENT NOT TO BILL THE PATIENT**

## INSTRUCTIONS

- Please complete the below form. Fields with an asterisk ( \* ) are required.
- Be specific when completing the DESCRIPTION OF DISPUTE and EXPECTED OUTCOME.
- Provide additional information to support the description of the dispute.
- Mail the completed form to: Pharmacy Department –Kern Family Health Care  
9700 Stockdale Highway  
Bakersfield, CA 93311

<b>*PROVIDER NAME:</b>	<b>*PROVIDER TAX ID # / Medicare ID #:</b>
<b>PROVIDER ADDRESS:</b>	

**\* CLAIM INFORMATION**    Single    Multiple "LIKE" Claims (complete attached spreadsheet)   *Number of claims:* \_\_\_\_

<b>* Patient Name:</b>		<b>Date of Birth:</b>
<b>* Health Plan ID Number:</b>	<b>Patient Account Number:</b>	<b>*Original Claim Document Number:</b> (If multiple claims, use attached spreadsheet)
<b>*Service "From/To" Date:</b>	<b>Original Claim Amount Billed:</b>	<b>Original Claim Amount Paid:</b>

<b>DISPUTE TYPE: First Level</b> ____ <b>Second Level</b> ____	
<input type="checkbox"/> Claim	<input type="checkbox"/> Seeking Resolution Of A Billing Determination
<input type="checkbox"/> Appeal of Medical Necessity / Utilization Management Decision	
<input type="checkbox"/> Request For Reimbursement Of Overpayment	

**\* DESCRIPTION OF DISPUTE** (must include a clear explanation of the basis upon which you believe KHS' action is incorrect):

**EXPECTED OUTCOME:**

<b>*Contact Name (please print)</b>	<b>Title</b>	(   )
<b>Signature</b>	<b>Date</b>	<b>*Phone Number</b>
		(   )
		<b>*Fax Number</b>

Kern Family Health Care received this dispute on \_\_\_\_\_. If you have not received a response to this dispute within 45 working days, please call the Claims Department at (661) 391-2000.

\_\_\_\_\_  
(signature)

**Acknowledgement of Receipt**

