



Section: Claims	Procedure Name: Denial Notifications	Procedure #: P09.08.01
Overarching Policy: 09.08 Enrollee Cost Sharing Prohibition		
Owner: Chief Administrative Officer	Reviewed By: Anne Wickham	Total Pages: 3
Required By: <input checked="" type="checkbox"/> BBA <input checked="" type="checkbox"/> MDHHS <input type="checkbox"/> NCQA <input type="checkbox"/> Other (please specify): _____	Final Approval By: <i>Anne Wickham</i>	Date Approved: Dec 6, 2023
Application: <input checked="" type="checkbox"/> SWMBH Staff/Ops <input type="checkbox"/> Participant CMHSPs <input type="checkbox"/> SUD Providers <input type="checkbox"/> MH/IDD Providers <input type="checkbox"/> Other (please specify): _____	Line of Business: <input checked="" type="checkbox"/> Medicaid <input type="checkbox"/> Other (please specify): _____ <input checked="" type="checkbox"/> Healthy Michigan _____ <input type="checkbox"/> SUD Block Grant <input checked="" type="checkbox"/> SUD Medicaid <input type="checkbox"/> MI Health Link	Effective Date: 5/11/2020

Purpose: To describe a clear method for notifying Customer Service when a claim is denied for payment for a Medicaid or Healthy Michigan consumer.

Scope: This procedure intends to assure consumers are notified when a claim for payment is denied so that they are afforded their Appeals rights under 42 CFR 438.404.

Procedure:

- A. Providers who are under contract with Southwest Michigan Behavioral Health are forbidden from balance billing a Medicaid or Healthy Michigan consumer for a claim that is denied. Therefore, regardless of claim status the member cannot be held liable for payment.
- B. Claims that are received from providers will be entered into the MCIS and processed through adjudication.
- C. Contracted providers who fail to submit sufficient information for a “clean claim” will have their claims denied in error with options to send missing information timely according to Policy 9.6.
 - a. Contract providers who have clean claims denied, will receive a copy of the adverse decision through the MCIS system.
- D. Non-contract providers who have claims denied, will receive a paper copy of the Adverse Benefit Determination notice.
- E. Upon denial of a clean claim or an out-of-network claim denial the claims processors will upon completion of adjudication processing submit to the Customer Services Specialist a list of claims that have denied for payment.
- F. The Customer Services Specialist will assure that Adverse Benefit Determination notices are mailed to



the consumer address on file with proper information on the reason for claim denial and indicating the consumers appeals rights for any service which the consumer may have any potential liability.

References: 42 CFR 438.404(c)(2)



Revision History

Revision #	Revision Date	Revision Location	Revision Summary	Revisor
Initial	5/11/2020	Throughout	New policy	A. Wickham
1	9/11/2020	Title Change, Procedure D&E	Change from non-network only procedure to apply to all claims	A. Wickham
2	7/14/2022	Throughout	Multiple word and sentence additions	A. Wickham
3	3/3/2023	Scope	Removed language that implied financial obligation be present	A. Wickham
4	8/4/2023	Procedure throughout	Adding clarifying language. Removed language about prior-authorizations.	H. Woods






P09.08.01 Denial Notifications

Final Audit Report

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