



Section: <b>Claims</b>	Procedure Name: <b>Denial Notifications</b>	Procedure #: <b>P09.08.01</b>
Overarching Policy: <b>09.08 Enrollee Cost Sharing Prohibition</b>		
Owner: <b>Chief Administrative Officer</b>	Reviewed By: <b>Anne Wickham</b>	Total Pages: <b>2</b>
Required By: <input checked="" type="checkbox"/> <b>BBA</b> <input checked="" type="checkbox"/> <b>MDHHS</b> <input type="checkbox"/> <b>NCQA</b> <input type="checkbox"/> <b>Other (please specify):</b> _____	Final Approval By: <i>Anne Wickham</i> <a href="#">Anne Wickham (Jul 21, 2022 14:29 EDT)</a>	Date Approved:  <b>Jul 21, 2022</b>
Application: <input checked="" type="checkbox"/> <b>SWMBH Staff/Ops</b> <input type="checkbox"/> <b>Participant CMHSPs</b> <input type="checkbox"/> <b>SUD Providers</b> <input type="checkbox"/> <b>MH/IDD Providers</b> <input type="checkbox"/> <b>Other (please specify):</b> _____	Line of Business: <input checked="" type="checkbox"/> <b>Medicaid</b> <input type="checkbox"/> <b>Other (please specify):</b> _____ <input checked="" type="checkbox"/> <b>Healthy Michigan</b> _____ <input type="checkbox"/> <b>SUD Block Grant</b> <input checked="" type="checkbox"/> <b>SUD Medicaid</b> <input type="checkbox"/> <b>MI Health Link</b>	Effective Date: <b>5/11/2020</b>

**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 that they may be financially obligated to pay 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. Providers who failed to obtain prior authorization will have their claims denied as per the adjudication rules regardless of Medicaid eligibility
- D. Upon denial of a claim the claims processors will upon completion of adjudication processing submit to the Customer Services Specialist a list of claims that have denied for payment.
- E. 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 potential liability.

**References:** 42 CFR 438.404(c)(2)









# P09.08.01 Denial Notifications

Final Audit Report

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