



Department of Health and Hospitals Responds to Providers' Concerns, Will Continue Paying Medicaid Claims on 14-Day Processing Cycle

BATON ROUGE --- The Louisiana Department of Health and Hospitals is not moving forward with the final phase of a new Medicaid check write schedule, which would have pushed Medicaid claims payments toward an approximately 21-day cycle by the start of the new fiscal year. Medicaid claims will continue being paid on the current 14-day schedule.

Last summer, the State published a new payment calendar for the current fiscal year, including two hold weeks in which no claims were paid, moving Medicaid claims processing from an approximately 7-day to a 21-day cycle. Prior to this change, Louisiana was among the fastest-paying states in the country for Medicaid claims. The additional review time would move Louisiana closer to the national average of 24 days and allow DHH to use advanced analytics to pre-screen claims for fraud, waste and abuse.

"DHH processes over 60 million claims each year and is too often caught up in a fruitless game of 'pay and chase'," said DHH Secretary Bruce D. Greenstein. "We are committed to running a program with the highest integrity, and this additional time is essential for us to protect taxpayer dollars."

The first hold week occurred during the last week in February, and moved the claims payment cycle from 7 to 14 days. A second hold week was scheduled to take place the first week in June, which would have pushed the payment cycle to 21 days. Working with the Medicaid fiscal intermediary, Molina, DHH has determined that the additional seven days are not necessary to implement the pre-payment review process.

"We heard from providers that the additional hold time would be disruptive to their business practices," Greenstein said. "We worked hard to develop a process that keeps us at 14 days, and luckily, we were successful."

The State has issued an updated schedule of Medicaid check write dates for the remainder of Fiscal Year 2012, which ends June 30. The State will not enact the 21-day Medicaid claims payment cycle. However, as DHH's appropriation for the current fiscal year was set based on the planned transition to the 21-day cycle, the department will delay claims payments during the last week of June. Providers will receive payment for those claims along with the following week's claims in the first check write of the next fiscal year, which occurs July 3, 2012. Weekly payments will then resume on a 14-day processing cycle, and those check write dates are reflected in the updated schedule.

Changes to the check write schedule are unrelated to implementation of BAYOU HEALTH, a transformation of the Medicaid program in which two-thirds of recipients will now have their care coordinated through a network administered by one of five private Health Plans that contract with the State. Three of the BAYOU HEALTH Plans – Amerigroup, LaCare and Louisiana Healthcare Connections –

handle their own claims processing and payment, and providers who have contracted with these Plans should contact the Plan to receive their payment schedules. The other two BAYOU HEALTH Plans, Community Health Solutions and United Healthcare Community Plan, send their claims to Molina for payment, and these Plans follow the Medicaid program's check write schedule.

The changes also do not affect the payment schedule for Medicaid specialized behavioral health services through the Louisiana Behavioral Health Partnership, which are paid and processed through Magellan. Providers for services through the Partnership should check with Magellan to receive their payment schedule.

"If you suspect someone is committing Medicaid fraud, tell us so we can investigate it," Greenstein said. "You can report anonymously at www.fightfraud.la.gov or by calling 1-800-488-2917. Working together, we can root out fraud, waste and abuse in our Medicaid program."