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Subject: Fwd: Prepayment Review Information
Date: Friday, August 9, 2024 2:02:54 AM

Begin forwarded message:

From: "Bickers, Erin L (CHFS DMS DFM)" <erin.bickers@ky.gov>
Subject: **Prepayment Review Information**
Date: May 10, 2024 at 2:47:04 PM CDT
To: "Carol Braun " <cjbraundds84@gmail.com>, Garth Bobrowski <whitnic2@msn.com>, Joe Petrey <jspetrey@gmail.com>, John Gray <gmswinchester@bellsouth.net>
Cc: "Bickers, Erin L (CHFS DMS DFM)" <erin.bickers@ky.gov>, "Sheets, Kelli M (CHFS DMS DFM)" <Kelli.Sheets@ky.gov>

34.2 Prepayment Review

The Contractor shall have written policies, procedures and standards of conduct for a Prepayment Review process in accordance with the requirements of this Contract. The Contractor shall perform a review when there is a **sustained or high level of payment error or data analysis identifies a problem area related to possible Fraud, Waste and Abuse.** Prior to placing a provider under Prepayment Review as prescribed in this Section, the Contractor shall submit a request in writing to the Division of Health Plan Oversight for approval with copy to the Division of Program Integrity. The request shall include at a minimum the following:

- A. Case Number;
- B. Provider Name;
- C. Medicaid Provider ID;
- D. NPI;
- E. Summary of Concern;
- F. Draft of the provider notice; and
- G. Start date of review.

The Department may, at its discretion, not require the Contractor to seek prior approval. If prior approval is no longer required, the Department will send a written notice to the Contractor.

The Contractor shall have discretion on when to utilize Prepayment Review, but should consider such review due to a **high volume of services, high cost, dramatic change in frequency of use, high risk problem-prone area, complaints, or if the Department or any other federal or state agency has identified a certain vulnerability in a service area.** The Contractor shall not use Prepayment Review to **hold Claims for an indefinite period of time.** The Contractor shall review the documentation submitted within a reasonable amount of time but **not to exceed thirty (30)**

Days from the date of the request to determine whether the Claim should be paid. Claims under Prepayment Review are not subject to prompt payment or timely filing requirements.

Notice shall be sent to the provider in writing two (2) business Days before the date a Prepayment Review is started through multiple modes of communication including certified mail and email. The written notice shall contain the following:

- A. Specific reason for the review;
- B. Complete description of the specific documentation needed for the review and method of submission;
- C. Timeframe for returning the documentation, and information that the Claim will be denied if documentation is not returned timely;
- D. Length of time the Prepayment Review will be conducted if the Contractor has determined one at its discretion;
- E. Contact information if there are questions related to the Prepayment Review; and
- F. Information on how the provider may request removal of a Prepayment Review.

The Contractor shall ensure the documentation is readily available in the investigative progression from referral (external or internal) to closure and ensure the investigation meets the Department's requirements as well as the requirements of case tracking, case management and reporting.

The Provider shall be given forty-five (45) Days to submit documents in support of Claims under Prepayment Review. The Contractor shall deny Claims for which the requested documentation was not received by day forty-six (46). The Contractor shall deny a Claim when the submitted documentation lacks evidence to support the service or code. The Contractor shall follow Contract Provision 27.10 for any Appeals related to the prepayment process. The Contractor may extend the length of a Prepayment Review when it is determined necessary to prevent improper payments. If the provider has sustained a ninety percent (90%) error free Claims submission rate to the Contractor for forty-five (45) Days, the Contractor must request express permission to continue Prepayment Review from the Director of Program Integrity (or designee) and the Director of Health Plan Oversight (or designee).


The Contractor shall notify the Director of Program Integrity (or designee) and Director of Health Plan Oversight (or designee) when a provider is no longer under Prepayment Review.


The Contractor shall submit an annual listing of providers who were under Prepayment Review during the calendar year in a manner prescribed by the Department.


Erin Bickers

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