

 <input checked="" type="checkbox"/> <b>POLICY</b> <input checked="" type="checkbox"/> <b>PROCEDURE</b> <input type="checkbox"/> <b>STANDARD OF CARE</b> <input type="checkbox"/> <b>STANDARDIZED PROCEDURE</b> <input type="checkbox"/> <b>GUIDELINE</b> <input type="checkbox"/> <b>OTHER</b>	<b>EFFECTIVE DATE</b> <b>09/01/2014</b>	<b>MANUAL:</b> <b>MANAGED CARE OPERATIONS</b>
	<b>APPROVAL DATE</b> <b>09/21/2023</b>	<b>TRACKING #</b> <b>MCO-CLM 0012</b>
	<b>TITLE:</b> <b>CLAIMS SETTLEMENT PRACTICES &amp; DISPUTE RESOLUTION MECHANISM - AB 1455 (2000)</b>	
<b>PERFORMED BY:</b> <b>Claims Department</b>		
<input checked="" type="checkbox"/> <b>Rady Children's Health Network (RCHN)</b> <input checked="" type="checkbox"/> <b>CHOC Health Alliance (CHA)</b>	<input checked="" type="checkbox"/> <b>Rady Children's Specialists of San Diego (RCSSD)</b> <ul style="list-style-type: none"> <li>• Community Health Group (CHG)</li> <li>• Molina Healthcare (MHC)</li> <li>• Sharp Rees-Stealy Medical Group (SRS)</li> </ul>	

## 1.0 POLICY

- 1.1 As required by Assembly Bill 1455, the California Department of Managed Health Care has set forth regulations establishing certain claim settlement practices and the process for resolving claims disputes for managed care products regulated by the Department of Managed Health Care.
- 1.2 It is Rady's policy to have a fast, fair, and cost effective dispute resolution mechanism to ensure processes are in place for contracted and non-contracted providers. Additionally, it is Rady's policy to have a separate dispute resolution process for claims versus other types of disputes. Rady will not discriminate against, retaliate or charge providers who make disputes. Rady has designated a principal officer to review provider dispute operations and prepare reports.

## 2.0 PROCEDURE

- 2.1 Claim Submission instructions
- 2.1.1 Claims for services provided to assigned members, based on contract, must be sent to the following:

Via Mail:

**Rady Children's Health Network**  
P.O. Box 23076  
San Diego, Ca. 92193-3076

**Rady Children's Specialists of San Diego**  
3020 Children's Way, MC 5077  
San Diego, Ca. 92123

**Rady Children's Hospital - San Diego**  
3020 Children's Way, MC 5099  
San Diego, Ca. 92123

**CHOC Health Alliance**  
Rady Children's Hospital- San Diego  
ATTN: CHOC/CPN  
3020 Children's Way, MC 5144  
San Diego, Ca. 92123

Via Physical Delivery: 5898 Copley Drive, Suite 300  
San Diego, CA. 92111

Via e-mail: n/a

Via Fax: n/a

## 2.1.2 Calling Regarding Claims

2.1.2.1 For claim filing requirements or status inquiries, you may contact Customer Service by calling: 877-276-4543 for RCHN/RCSSD or 1 for CHOC/CPN.

## 2.1.3 Claim Submission Requirements

2.1.3.1 Claim shall be deemed clean if it provides all of the following information:

2.1.3.1.1 Name of Provider

2.1.3.1.2 Provider's Address

2.1.3.1.3 Provider's Telephone Number

2.1.3.1.4 Claim Number

2.1.3.1.5 Insurance Company or Plan Name

2.1.3.1.6 Insurance Company or Plan Address

2.1.3.1.7 Name of Patient

2.1.3.1.8 Employer Name

2.1.3.1.9 Date of Service

2.1.3.1.10 Current Procedural Terminology (CPT) Codes and modifiers and International Classification of Diseases (ICD-9CM/ICD10) codes

2.1.3.1.11 Date of Claim Filed with insurer or Managed Care Plan

2.1.3.1.12 Copy of the Authorization or Number Reference Form from the Health Plan, if available.

2.1.3.1.13 Copy of other relative correspondence from the insurance company or managed care plan and explanations to assist in the Department's review.

#### 2.1.4 Claim Receipt Verification

2.1.4.1 For verification of claim receipt by Rady, please do the following:

Via Internet: [www.Eznet.rchsd.org](http://www.Eznet.rchsd.org) (please note: a secure login/password is required)

Via Phone: (877) 276-4543

Via Fax: (858) 634-4975

Via Physical Delivery: 5898 Copley Drive, Suite 300  
San Diego, CA. 92111  
Attn: Claims Department

Via Mail: 5898 Copley Drive, Suite 300  
San Diego, CA. 92111  
Attn: Claims Department

Via Email: n/a

## 2.2 Dispute Resolution Process for Contracted Providers

### 2.2.1 Definition of Contracted Provider Dispute

2.2.1.1 A contracted provider dispute is a provider's written notice to Rady and/or the member's applicable health plan 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 other contract dispute (or bundled group of substantially similar multiple billing or other contractual disputes that are individually numbered) or disputing a request for reimbursement of an overpayment of a claim. Each contracted provider dispute must contain, at a minimum the following information: provider's name; provider's identification number, provider's contact information, and:

2.2.1.1.1 If the contracted provider dispute concerns a claim or a request for reimbursement of an overpayment of a claim from Rady to a contracted provider the following must be provided: a clear identification of the disputed item, the Date of Service and a 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;

2.2.1.1.2 If the contracted provider dispute is not about a claim, a clear explanation of the issue and the provider's position on such issue; and if the contracted provider dispute involves an enrollee or group of enrollees, the name and identification number(s) of the enrollee or enrollees, a clear explanation of the disputed item, including the Date of Service and provider's position on the dispute, and an enrollee's written authorization for provider to represent said enrollees.

## 2.2.2 Sending a Contracted Provider Dispute to Rady.

2.2.2.1 Contracted provider disputes submitted to Rady must include the information listed in Section II.A., above, for each contracted provider dispute. All contracted provider disputes must be sent to the attention of the Appeals Department at the following:

Via Mail: **Rady Children's Health Network**  
5898 Copley Drive, Suite 300  
San Diego, CA. 92111  
Attn: Appeals Department

**Rady Children's Specialists of San Diego**  
3020 Children's Way, MC 5077  
San Diego, Ca. 92123  
Attn: Appeals Department

**Rady Children's Hospital - San Diego** 3020 Children's Way, MC  
5099  
San Diego, Ca. 92123 Attn:  
Appeals Department

Via Physical Delivery: 5898 Copley Drive, Suite 300  
San Diego, CA. 92111  
Attn: Appeals Department

Via e-mail: n/a

Via Fax: (858) 634-4975

## 2.2.3 Time Period for Submission of Provider Disputes

2.2.3.1 Contracted providers have no less than 365 days from provider's action that led to the dispute (or the most recent action if there are multiple actions), or

- 2.2.3.2 In the case of inaction, contracted providers have no less than 365 days after the provider's time for contesting or denying a claim (or most recent claim if there are multiple claims) has expired.
- 2.2.3.3 Contracted provider disputes that do not include all required information as set forth above in Section II.A. may be returned to the submitter for completion. An amended contracted provider dispute which includes the missing information may be submitted to Rady within thirty (30) working days of your receipt of a returned contracted provider dispute.

## 2.2.4 Acknowledgement of Contracted Provider Disputes

- 2.2.4.1 Rady will acknowledge receipt of all contracted provider disputes as follows:
  - 2.2.4.1.1 Electronic contracted provider disputes will be acknowledged by Rady within two (2) Working Days of the Date of Receipt by Rady.
  - 2.2.4.1.2 Paper contracted provider disputes will be acknowledged by Rady within fifteen (15) Working Days of the Date of Receipt by Rady.

## 2.2.5 Contract Rady Regarding Contracted Provider Disputes.

- 2.2.5.1 All inquiries regarding the status of a contracted provider dispute or about filing a contracted provider dispute must be directed to Rady at (877) 276-4543.

## 2.2.6 Instructions for Filing Substantially Similar Contracted Provider Disputes

- 2.2.6.1 Substantially similar multiple claims, billing or contractual disputes, may be filed in batches as a single dispute, provided that such disputes are submitted in the following format:
  - 2.2.6.1.1 Sort provider disputes by similar issue
  - 2.2.6.1.2 Provide cover sheet for each batch
  - 2.2.6.1.3 Number each cover sheet
  - 2.2.6.1.4 Provide a cover letter for the entire submission describing each provider dispute with references to the numbered coversheets.

## 2.2.7 Acknowledgement of Provider Disputes

- 2.2.7.1 Provider Disputes must be acknowledged (See Attachment A and B). Disputes submitted electronically will be acknowledged within two

(2) working days. Disputes submitted in writing will be acknowledged within fifteen (15) working days.

#### 2.2.8 Time Period for Resolution and Written Determination of Contracted Provider Dispute

2.2.8.1 Rady will issue a written determination stating the pertinent facts and explaining the reasons for its determination within forty-five (45) Working Days after the Date of Receipt of the contracted provider dispute or the amended contracted provider dispute.

2.2.8.2 If the determination is to continue to uphold the denial, the Claims Department will forward the first level appeal to the health plan for a second level appeal determination.

#### 2.2.9 Past Due Payments

2.2.9.1 If the contracted provider dispute or amended contracted provider dispute involves a claim and is determined in whole or in part in favor of the provider, Rady will pay any outstanding monies determined to be due, and all interest and penalties required by law or regulation, within five (5) Working Days of the issuance of the written determination.

### 2.3 Dispute Resolution Process for Non-Contracted Providers

#### 2.3.1 Definition of Non-Contracted Provider Dispute

2.3.1.1 A non-contracted provider dispute is a non-contracted provider's written notice to Rady challenging, appealing or requesting reconsideration of a claim (or a bundled group of substantially similar claims that are individually numbered) that has been denied, adjusted or contested or disputing a request for reimbursement of an overpayment of a claim. Each non-contracted provider dispute must contain, at a minimum, the following information: the provider's name, the provider's identification number, contact information, and:

2.3.1.1.1 If the non-contracted provider dispute concerns a claim or a request for reimbursement of an overpayment of a claim from Rady to provider the following must be provided: a clear identification of the disputed item, the Date of Service and a clear explanation of the basis upon which the provider believes the payment amount, request for additional information, contest, denial, request for reimbursement for the overpayment of a claim, or other action is incorrect;

2.3.1.1.2 If the non-contracted provider dispute involves an enrollee or group of enrollees, the name and identification number(s) of the enrollee or enrollees, a clear explanation of the disputed item, including the Date of Service, provider's position on the dispute, and an enrollee's written authorization for provider to represent said enrollees.

## 2.3.2 Dispute Resolution Process

2.3.2.1 The dispute resolution process for non-contracted Providers is the same as the process for contracted Providers as set forth in sections II.B., II.C., II.D., II.E., II.F., II.G., and II.H. above.

## 2.4 Claim Overpayments

### 2.4.1 Notice of Overpayment of a Claim

2.4.1.1 If Rady determines that it has overpaid a claim, Rady will notify the provider in writing through a separate notice clearly identifying the claim, the name of the patient, the Date of Service(s) and a clear explanation of the basis upon which Rady believes the amount paid on the claim was in excess of the amount due, including interest and penalties on the claim.

### 2.4.2 Contested Notice

2.4.2.1 If the provider contests Rady's notice of overpayment of a claim, the provider, within 30 Working Days of the receipt of the notice of overpayment of a claim, must send written notice to Rady stating the basis upon which the provider believes that the claim was not overpaid. Rady will process the contested notice in accordance with Rady's contracted provider dispute resolution process described in Section II above.

### 2.4.3 No Contest

2.4.3.1 If the provider does not contest Rady's notice of overpayment of a claim, the provider must reimburse Rady within thirty (30) Working Days of the provider's receipt of the notice of overpayment of a claim.

### 2.4.4 Offsets to payments

2.4.4.1 Rady may only offset an uncontested notice of overpayment of a claim against provider's current claim submission when; (i) the provider fails to reimburse Rady within the timeframe set forth in

Section IV.C., above, and (ii) Rady's contract with the provider specifically authorizes Rady to offset an uncontested notice of overpayment of a claim from the provider's current claims submissions. In the event that an overpayment of a claim or claims is offset against the provider's current claim or claims pursuant to this section, Rady will provide the provider with a detailed written explanation identifying the specific overpayment or payments that have been offset against the specific current claim or claims.

## 2.5 Provider Right to Appeal

2.5.1 If the Provider Dispute involves an issue of medical necessity or utilization management, the Provider has an unconditional right to appeal determination within 60 working days after issuance of the final determination.

## 2.6 Retention of Books and Records

2.6.1 Copies of all provider disputes and determinations, including notes will be kept for a period of not less than five (5) years, the last two (2) years of which shall be in an easily accessible place. After such records have been preserved for two years, they may be warehoused or stored, or scanned, subject to their availability to the Director within not more than five (5) days after the request.

## 2.7 Reporting

2.7.1 Rady shall submit to the Plans, according to an agreed upon schedule, a report (See Attachment C) which includes:

2.7.1.1 Tabulated record of all disputes received, categorized by date of receipt, identification of provider, type of dispute, disposition of dispute and the number of working days to disposition.

2.7.1.2 The report shall be signed by the principal officer, with written verification stating report is true and correct to their best knowledge and belief.

2.7.2 Source: AB1455, Title 28 CCR, §1300.71, 1300.71.385

## 3.0 ATTACHMENTS

- 3.1 Single Dispute Acknowledgement Letter with Request for Additional Information
- 3.2 Single Dispute Acknowledgement Letter No Additional Information Needed
- 3.3 Department of Managed Health Care, Report of Dispute Resolution Mechanism

## 4.0 REFERENCES

- 4.1 None



## 5.0 APPROVALS

- 5.1 09/21/23: Approved by Hospital P&P Committee
- 5.2 04/04/22: Electronically approved by MCO Leadership
- 5.3 02/17/22: Electronically approved by MCO Leadership

## 6.0 REVIEW/REVISION HISTORY

<b>Status</b>	<b>Date</b>	<b>Policy #</b>	<b>Policy Title</b>	<b>Line(s) of Business</b>
Approved (Hospital P&P Committee)	09/21/2023	MCO- CLM 0012	Claims Settlement Practices & Dispute Resolution Mechanism - AB 1455 (2000)	All
Revised	09/21/2023	MCO- CLM 0012	Claims Settlement Practices & Dispute Resolution Mechanism - AB 1455 (2000)	All
Reviewed	03/21/2023	MCO- CLM 0012	Claims Settlement Practices & Dispute Resolution Mechanism (AB 1455)	All
Reviewed	07/28/2022	MCO- CLM 0012	Claims Settlement Practices & Dispute Resolution Mechanism (AB 1455)	All
Approved (electronic)	04/04/2022	MCO- CLM 0012	Claims Settlement Practices & Dispute Resolution Mechanism (AB 1455)	All
Approved (electronic)	02/17/2022	MCO- CLM 0012	Claims Settlement Practices & Dispute Resolution Mechanism (AB 1455)	All
Retired	02/17/2022	CL-0031	Claims Settlement Practices & Dispute Resolution Mechanism (AB 1455)	All
Retired	02/17/2022	CLM- 0012	Claims Settlement Practices & Dispute Resolution Mechanism (AB 1455)	All
Draft	07/21/2021	MCO- CLM 0012	Claims Settlement Practices & Dispute Resolution Mechanism (AB 1455)	All

## ATTACHMENT A

### SINGLE DISPUTE ACKNOWLEDGEMENT LETTER WITH REQUEST FOR ADDITIONAL INFORMATION

DATE:

Provider:

Member Name:

Date of Service:

Amount in Dispute:

[Claim, tracking, document] #:

Date Received:

Dear Provider:

Rady Children's Health Network received a claim dispute regarding the claim referenced above; however, additional information is required in order that we may review and give a resolution of the dispute. Please provide us with the information indicated below within 30 working days:

- **List specific item of information needed for dispute**

Upon receipt of all information necessary to determine the outcome of the dispute, Rady has 45 working days to review and resolve the dispute. Please submit the above requested information and a copy of this letter to the following address:

**Rady Children's Health Network  
5855 Copley Drive, Suite 100  
San Diego, Ca. 92111  
Attn: Appeals Department**

If you require additional information please contact the Rady Children's Health Network Appeals Department at (858) 309-6280 . Please use the Claim number to reference the claim.

Sincerely,

Rady Children's Health Network  
Claims Department

## **ATTACHMENT B**

### **SINGLE DISPUTE ACKNOWLEDGEMENT LETTER NO ADDITIONAL INFORMATION NEEDED**

DATE:

Provider:

Member Name:  
Date of Service:  
Amount in Dispute:  
Claim #:  
Date Received:

Dear Provider:

Rady Children's Health Network ("RCHN") received a claim dispute regarding the claim referenced above. The dispute will be reviewed and a resolution will be sent. If you have not received a response or resolution within 45 working days from the date of receipt, please contact the RCHN Claims Department at (858) 309-6280. Please use the claim number to reference the claim.

Sincerely,

Rady Children's Health Network

## Claims Department



## ATTACHMENT C

### STATE OF CALIFORNIA DEPARTMENT OF MANAGED HEALTH CARE

#### Report of Dispute Resolution Mechanism

Reporting Period: October 1, 2001 through September 30, 2002

Plan Name: \_\_\_\_\_  
Health Care Service Plan's Full Name

Contact Name/Title: \_\_\_\_\_  
First and Last Names

Contact Address: \_\_\_\_\_  
Street Address, City, State ZIP Code

Contact Phone: ( ) \_\_\_\_\_ Contact Fax: ( ) \_\_\_\_\_  
(area code) (area code)

Contact e-Mail Address: \_\_\_\_\_

SUBMISSIONS	NUMBER
Total Number of Providers Submitting Disputes:	
Total Number of Disputes <sup>1</sup> Submitted to Plan:	
Total Number of Claims Disputes	
Total Number of Billing Disputes	
Total Number of Contract Disputes	
Total Number of Utilization Management Disputes	
Total Number of Other Disputes	
Total Number of Disputes Resolved Within 45 Working Days	

<sup>1</sup> A notice of dispute referencing multiple claims shall be counted as one (1) dispute.

Total Number of Disputes That Resulted In A Written Determination	
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SUMMARY DISPOSITION: Claims Disputes	NUMBER
Total Number Resolved in Favor of Provider:	
Total Number Resolved in Favor of Plan:	
Total Number with Pending Resolution:	

SUMMARY DISPOSITION: Billing Disputes	NUMBER
Total Number Resolved in Favor of Provider:	
Total Number Resolved in Favor of Plan:	
Total Number with Pending Resolution:	

SUMMARY DISPOSITION: Contract Disputes	NUMBER
Total Number Resolved in Favor of Provider:	
Total Number Resolved in Favor of Plan:	
Total Number with Pending Resolution:	

SUMMARY DISPOSITION: Utilization Management Disputes	NUMBER
Total Number Resolved in Favor of Provider:	
Total Number Resolved in Favor of Plan:	
Total Number with Pending Resolution:	

SUMMARY DISPOSITION: Other Disputes	NUMBER
Total Number Resolved in Favor of Provider:	
Total Number Resolved in Favor of Plan:	
Total Number with Pending Resolution:	



**VERIFICATION**

I, the undersigned, have read and signed this report and know the contents thereof, and verify that to the best of my knowledge and belief, the information included in this report is true.

By: \_\_\_\_\_  
(Signature of Individual Authorized to Sign on Behalf  
of the Plan.)

Name: \_\_\_\_\_  
(Typed or Printed)

Title: \_\_\_\_\_