

**NORTH COUNTRY COMMUNITY MENTAL HEALTH  
NORTHERN AFFILIATION  
ADMINISTRATIVE MANUAL**

**CHAPTER:** Affiliation Chapter 7  
**PROCEDURE NAME:** 837 Institutional Claims Processing  
**PROCEDURE NUMBER:** 7002

**POLICY**

It is the policy of North Country Community Mental Health; Northern Affiliation that all claims processed will be HIPAA compliant.

**PURPOSE**

To establish a process and procedure to ensure consistent steps are taken each time a claim is processed.

**APPLICATION**

All claims staff of the Northern Affiliation division.

**PROCEDURES**

**I. Manual Claims Adjudication of Institutional, Inpatient Professional and Single Service Claims Submitted by Contracted Providers:**

- A. The claim is stamped with the received date and delivered to claims department.
- B. Unprocessed claims are stored in the Confidential Claims file cabinet for processing.
- C. Claims are processed within 30 days of receipt as delineated in each provider contract.
- D. Authorization, Funding and Coordination of Benefit are verified prior to adjudication by reviewing the authorization generated in Avatar MSO. Medicaid Eligibility is verified via Web Denis for all claims submitted.
- E. Clean claims are adjudicated at the contract/allowable rate. An Explanation of Benefit (EOB) is generated for each adjudicated claim. The EOB form is located on the I:\Northern Affiliation\ drive in the Customer Care and Claims sub-folder called MSO Manual Adjudication. Approved adjustment codes are noted on the EOB when a claim is not paid in full and if applicable a typed note is added in the Comments Box to further explain the adjudication. (See attached form.)
  1. Claims received that are denied are issued a 'Return of Submitted Claim' (See attached form) letter denoting the specific reason for denial. The original claim is returned to the provider and a copy retained in the Claims File.
- F. Paid claims are filed in the "Adjudicated Unpaid Claims" folder in the Confidential Claims file cabinet.
- G. A remittance advice (See attached form) is created for each provider for which Medicaid claims were adjudicated. A remittance template is located on the I:\Northern Affiliation\Customer Care and Claims\ MSO Manual Adjudication in sub-folder called MSO Paid Claims.
- H. The Financial Analyst processes all Medicaid claims for payment. Adjudicated General Fund, Adult Benefit Waiver and MI Child claims are sent to CMH Financial Directors for payment.
- I. When the Financial Analyst returns the paid claims to the claims department they are stamped paid. The electronic claims are moved from the MSO manual adjudication folder to the MSO paid claims folder. Claims sent to CMH Financial Directors for payment are stamped paid upon receipt of payment verification from the Board. The claims are then filed in alphabetical order in the Confidential Claims file cabinet by Provider and Funding Source.

**II. Claim Adjudication in Avatar MSO**

- A. Separate Claims by Provider, Funding Source and, if necessary, date range. Only enter claims for the months that CMHSP Q.I. data was sent to the department.
- B. The MSO user guide provides step by step instruction for entering a UB-92 and HCFA 1500 claim.

