

# Announcement of Payment Integrity

Beacon Health Options, Inc. (Beacon) is committed to ensuring that its claim adjudication processes are robust and provide for a high degree of accuracy. In accordance with the [Provider Handbook](#), providers have a responsibility to submit complete and accurate claims.

Beacon relies on claims edits and investigative analysis to ensure providers are in compliance with applicable coding and billing rules and requirements through the application of coding standards outlined by the American Medical Association (AMA), Centers for Medicare and Medicaid Services (CMS), state Medicaid agencies, as well as other applicable regulatory and advisory agencies. Providers should not submit or be paid for claims that are contrary to national and industry standards.

To support these efforts, Beacon has engaged with a third-party liability identification and recovery service vendor, Health Management Systems, Inc. (HMS). The enhancements from this partnership may involve claims and provider payment technologies.

HMS will assist Beacon with reviewing Coordination of Benefits and claims, applying edits to previously paid claims, recovering overpayments and recouping improperly paid claims.

Beacon's payment integrity efforts may identify payment errors from the following major claim edit types:

- **National Correct Coding Initiative (NCCI):** Procedure-to-procedure edits that define pairs of HCPCS/CPT codes that should not be reported together
- **Medically Unlikely Edits (MUE):** Units-of-service edits that defines for each HCPCS/CPT code the number of units of service that is unlikely to be correct
- **Other Edits for Improperly Coded Claims:** Regulatory or level of care requirements for correct coding

Examples of claims edits can include but are not limited to the following:

- Invalid procedure and/or diagnosis codes
- Invalid code for place of service
- Invalid modifier for code or modifier not appropriate
- Edits for state-specific Medicaid codes
- Diagnosis code that does not support procedure
- Add-on codes reported without a primary procedure code
- Charges not supported by documentation based on review of medical records
- Claims from suspected fraudulent activities of providers and members that warrant additional review and consideration
- Services provided by a sanctioned provider or provider whose license has been revoked or restricted
- Incorrect fee schedule applied, claim repriced at wrong amount
- Duplicate claims paid in error
- No authorization on file for service that requires prior authorization
- Additional information on national coding standards can be found at the following resources:
- Centers for Medicare and Medicaid Services website
- American Medical Association: CPT coding
- National Correct Coding Initiative (NCCI), including information on Medically Unlikely Edits (MUEs)

In advance of overpayment recovery activity, Beacon will notify providers in accordance with applicable federal and/or state directed durations prior to claims adjustments.

Additional information on national coding standards can be found at the following resources:

- [Centers for Medicare and Medicaid Services Website](#)
- [American Medical Association: CPT coding](#)
- [National Correct Coding Initiative \(NCCI\), including information on Medically Unlikely Edits \(MUEs\)](#)

For additional information, visit [www.beaconhealthoptions.com](http://www.beaconhealthoptions.com).