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.

Nokomis Health is providing Beacon with analytical services to supplement current payment integrity and claims analysis efforts. Nokomis Health employs an analytical claims engine called ClaimWise™ to conduct this analysis and identify claims paid contrary to national and industry standards. As a result of these payment integrity efforts, Beacon is conducting a comprehensive claims review. Providers may receive communications and documentation requests to verify claims submissions and payment accuracy. Additionally, Beacon may adjust claims identified as payment errors.

ClaimWise and 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 or inappropriate modifier for a code
- State-specific edits to support Medicaid requirements
- Diagnosis codes that do not support the 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
- Duplicate claims paid in error
- No authorization on file for a 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)

For additional information, visit www.beaconhealthoptions.com.