

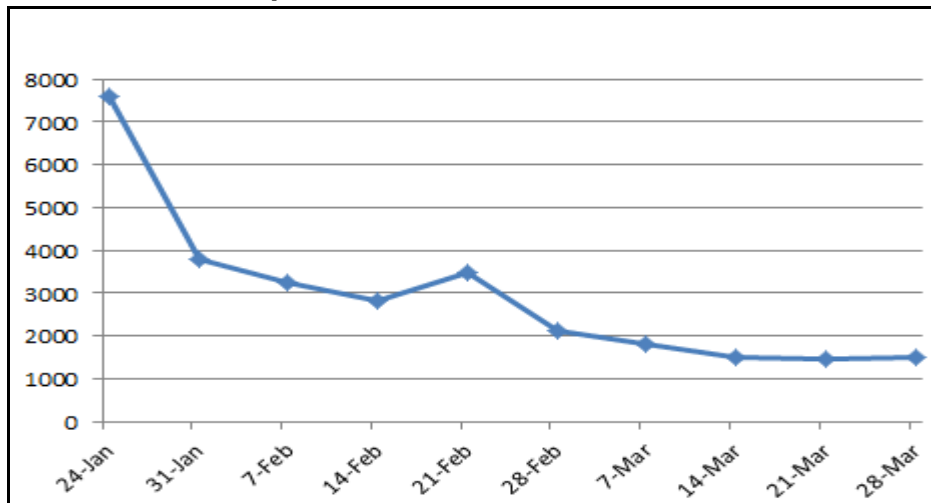
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Processing levels remain constant in the areas of service authorizations, claim payments, and paper claims.

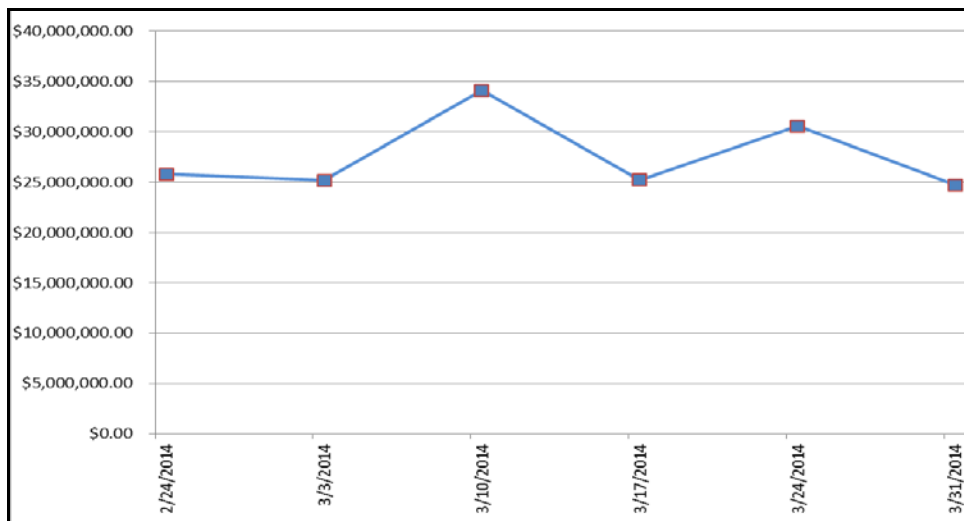
- Service Authorizations:** Processing faxed service authorization requests continues to remain within normal processing standards. As of March 28, faxed dental requests processed within 1 day of receipt, while the majority of other faxed requests processed within 1 to 3 days of receipt.

Suspended Service Authorizations



- Claim Payments:** Last week 93,329 claims received payments totaling almost \$25 million.

Total Cash Reimbursement Amount



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- **Paper Claims:** With the exception of claims submitted on the new CMS-1500 claim form, paper claim processing remains current. Claims submitted on the old form can be processed while changes to fully support the new form are being developed. Xerox will continue to accept the old form until the changes for the new form are completed.

Service Authorization Status Inquiry: All changes to correct the problem with random missing records on the online search capability have been implemented. We are working with selected providers to verify that the ability to view the status of all submitted service authorization requests is functioning correctly.

Service Authorization Letters: Changes targeted for early May are in progress to provide standard detailed reasons with more descriptive messages and the associated Regulation Citation on Service Authorization letters.

Reformatting the Remittance Advice (RA): The design work for the new RA continues. The development team has begun review of the new designs to determine timelines.

Mass Adjustments: Mass adjustments to reprocess approximately 600 claims have been completed since the last MMIS Update. The major categories of adjustments include:

- Approximately 455 claims to adjust denials for Exception 3800 (Rendering Provider not in any Network associated to any of the Benefit Plans for the Member)
- Updating the maximum units for procedure code 95004 on over 130 claims

RBRVS Problem: Evaluation of the most effective way to stagger reprocessing claims paid incorrectly due to problems with the RBRVS factor continues. The factor problem was corrected in early March and all claims are now being paid with the correct factors.

Paper Claims with Exception 4826 (Submitted units exceed the maximum units allowed): If a unit is submitted with a decimal, the decimal is disregarded and any characters after the decimal become part of the whole number. For example, if 1 unit is reflected as 1.0 on the claim, the optical character recognition (OCR)

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program translates it to 10 units; 20.0 units becomes 200 units. This causes the claim to reject for too many units. **Units entered without a decimal process correctly. Providers can avoid claims suspending for this exception by entering whole numbers without a decimal in the units field.** A change targeted as part of the new CMS-1500 claim form implementation will resolve this issue by allowing OCR to recognize decimals.

Tribal Providers: Specific issues are affecting timely and accurate processing of claims for Tribal providers. A mass adjustment to reprocess claims where the co-pay was taken for a tribal provider and the member is a native Alaskan is currently on hold until all known problems that affect claims are corrected. This is to reduce the number of times a single claim is reprocessed.

Complex Claims: All identified optimization changes to improve internal processing of claims with more than 100 lines have been implemented and the system will now automatically process claims with up to 500 lines. During reprocessing, 7 out of the 12 outstanding claims suspended with Exception 9379 (System Information Not Found). A change is scheduled for early April to correct claims that are suspending with this edit. All remaining claims should complete processing by mid-April.

Pharmacy: Newly enrolled pharmacies are not recognized, while recently dis-enrolled pharmacies are still showing as active. New pharmacies are being added manually to the pharmacy file to enable processing of claims. All changes to the automated interface are currently being tested and implementation is targeted for mid-April. Provider outreach is continuing as needed.

Call Center Support: If you need to contact Xerox, the following times are traditionally the lightest periods and you should experience a shorter call wait time than if you call at peak periods:

| Department | Lighter Call Periods | Contact Information |
|---|--|---|
| Provider Relations Unit Provider Inquiry | From 8:00-9:30 a.m. After 2:00 p.m. | In Anchorage: 907.644.6800 (option 1,1) Outside Anchorage: 800.770.5650 (option 1, 1) |

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| Department | Lighter Call Periods | Contact Information |
|---|--|--|
| Member Eligibility Verification Provider Inquiry | From 8:00-9:30 a.m. After 2:00 p.m. | In Anchorage: 907.644.6800 (option 1,2) Outside Anchorage: 800.770.5650 (option 1, 1) |
| Service Authorization | From 8:00-9:30 a.m. After 2:00 p.m. | In Anchorage: 907.644.6800 (option 5) Outside Anchorage: 800.770.5650 (option 1, 2) |

Outstanding Claim Inventory: The table on the following pages summarizes the exception codes that are receiving special monitoring. It does not provide reporting on all exception codes. The status reported is as of April 1, 2014.

The Providers Impacted column lists the provider types affected by the exception code if there are more than 50 claims associated with the provider category. The Impacted Claims column reflects the total number of claims for each exception. These numbers and the provider types change daily as additional improvements, processing and outreach occur. As issues are resolved, these suspended claims are released for processing and potential payment in the weekly cycle.

Even when a change is implemented, it can take several processing cycles to determine that it is working effectively. Changes are implemented on Saturday nights making the first time they impact a claims cycle the following Friday.

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Status of Processing Outstanding Claim Inventory

| Legend for Providers Impacted | | | |
|-------------------------------|---|---------|---|
| Code | Description | Code | Description |
| ASC | Ambulatory Surgical Center | NURS | Nurses – Private Duty, RN, Agencies |
| BH | Behavioral Health | PCA | Personal Care Agency |
| BRS | Behavioral Rehabilitation | PHAR | Pharmacy |
| CCA | Care Coordinator Agency | PHYS | Physicians |
| DENT | Dental Groups and Dentists | RPTC | Residential Psychiatric Treatment Center |
| DME | Durable Medical Equipment Supplier | RSL | Residential Supported Living |
| FPC | Family Planning Center | SBS | School Based Services |
| FQHC | Federally Qualified Health Center | SNF/ICF | Skilled Nursing/Intermediate Care Facility |
| HCB | Home Community Based Agency | TCM | Targeted Case Management |
| HEAR | Hearing Aid Specialist | THER | Therapists – Speech, Physical, Occupational |
| HHA | Home Health Agency | THRCTR | Occupational/Physical Therapy Center |
| HOSP | Hospital – In-patient and out-patient | TRAN | Transportation – Taxi, Ambulance, Air |
| HPRF | Health Professional Group | TRB | Tribal Hospital or Clinic |
| ICFMR | Intermed Care Fac for Mentally Retarded | TRVL | Travel Accommodations |
| LAB | Independent Lab/X-ray | VISION | Optometrist, Vision Contractor |

| Edit/ EOB Code | Description | Providers Impacted | Impacted Claims | Status |
|-------------------|--|--|--------------------|--|
| 1370 | The Diagnosis Related Code is repeated or missing or invalid. | HPRF HCB PCA RSL VISION | 804 | An issue with this exception was previously corrected and claims processed. These particular claims did not get released due to issues with missing data, usually the Date of Service, on claims submitted in October 2013. A change was implemented in early March that caused the number of suspended claims to drop from 2,329. |
| 1880 | Claim is pending for review due to notes | DME | 1,774 | These claims are suspending correctly. Only DME claims are affected. The manual intervention required is ongoing. |
| 1882 | Claim exceeds timely filing and no proof of timely filing attached | BH DME HCB HOSP HPRF RSL SNF/ICF TRVL | 1,457 | Claims are suspending correctly and being reviewed as part of normal processing. |

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| Edit/ EOB Code | Description | Providers Impacted | Impacted Claims | Status |
|-------------------|---|---|--------------------|--|
| 1891 | Void / Replace TCN Missing or Invalid | BH HCB HOSP HPRF SBS | 1,637 | The exception indicates the requested void or replacement has already been voided or replaced, meaning the request cannot be processed. This error is tied to claims submitted prior to Oct 1, 2013. These claims must be manually worked. |
| 1895 | Claim not found on history | BH HCB HOSP HPRF PCA SBS | 1,876 | The Transaction Control Number (TCN) to be replaced or voided does not match a previously adjudicated claim in history. This error is tied to claims submitted prior to Oct 1, 2013. These claims are being manually worked. |
| 1905 | Billing Provider on claim does not match Billing Provider on replacement request | BH HCB HOSP HPRF PCA SBS | 1,898 | This error is tied to claims submitted prior to Oct 1, 2013. These claims must be manually worked. |
| 2950 | Payment cannot be made. The member is locked into another Provider | BH FQHC HPRF PHYS TRB | 4,265 | Reviewers manually audit claims to determine if a referral is valid so that the claim can be approved for payment. If the referral is not valid, the claim is denied. Approximately 2,800 (66%) of the claims are from Health Professional Groups and 800 (19%) are Behavioral Health claims. However, it appears this edit may not be valid for Behavioral Health claims and analysis is in progress to determine why this edit it is posting. If research determines the edit is invalid for these Behavioral Health claims, a change will be made that allows them to move forward for processing. |

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| Edit/ EOB Code | Description | Providers Impacted | Impacted Claims | Status |
|-------------------|---|--|--------------------|--|
| 3321 | Rendering Provider Certification Expired | CCA DENT DME HCB HOSP HPRF PCA | 1,937 | This exception will recycle for 60 days and if the certification is not updated the claim will deny with Exception 3660 (Rendering Provider Cert Expired – Deny). 1,300 (68%) of these are PCA claims. A change was implemented February 15. Analysis will occur to insure the change has the expected outcome. |
| 3325 | Rendering Provider License Expired | DENT DME HOSP HPRF TRB | 1,505 | This exception will recycle for 60 days and if the license is not updated the claim will deny. 1,080 (72%) of these are claims for Health Professional Groups. In addition to the change implemented in mid-February, another change was deployed in early March. |
| 3329 | Billing Provider License Expired – Suspend | DENT DME HOSP HPRF PCA TRVL | 1,249 | The Billing Provider does not have a license on file in effect on the Date of Service. The last Date of Service on the claim is after the license expiration date. Analysis of the edit criteria was completed in mid-March and it is functioning correctly. |
| 3337 | Billing Provider License Missing – Deny | DENT | 0 | The Billing Provider does not have a license on file in effect on the Date of Service. In December this edit was set to suspend claims that met the exception criteria. Analysis verified this exception is functioning correctly and the disposition was changed from Suspend to Deny. This exception will be removed from the watch list next week. |
| 3338 | Billing Provider Certification Missing | SBS | 200 | The Billing Provider does not have certification on file that is in effect on the Date of Service. Updates to enrollment files occurred in late March. |

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| Edit/ EOB Code | Description | Providers Impacted | Impacted Claims | Status |
|-------------------|--|--|--------------------|---|
| 3600 | Category of Service cannot be determined from information on the claim | ASC BH HPRF PHAR TRB | 1,885 | Category of Service and provider type combinations need changes to the processing criteria. Also, a problem that impacts these claims was found relating to the NPI crosswalk. This exception has a dependency with 4932 (Claim Type Cannot be Determined). Analysis is in progress to identify needed changes. |
| 3620 | Billing Provider NPI matches multiple IDs | Electronic Claims ALL provider types that require NPI | 9,313 | If the Billing Provider NPI matches multiple IDs, the system cannot determine which provider record to use for processing. Provider outreach continues to help providers understand how to submit claims correctly if the problems are caused by failing to submit with the service location zip +4 code, using an incorrect taxonomy, or submitting on the wrong paper form. A system change to the NPI crosswalk is targeted for implementation in early May that will improve automated provider record matching. |
| 3650 | Provider Payee ID Not Found | Electronic claims | 580 | Analysis in progress to determine if this should deny. |
| 3660 | Rendering Provider Cert Expired – Deny | SBS | 21 | This exception is tied to exception 3321 (Rendering Provider Certification Expired). Research was completed and 1,342 claims moved forward for final processing. This exception will be removed from the list next week if the number of suspended claims remains less than 50. |
| 3700 | Provider on review | BRS HCB RSL TRB | 1,139 | These claims continue to be analyzed to determine if additional providers can be taken off review. |

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|-------------------|---|---|--------------------|--|
| 3800 | Rendering Provider not in any Network associated to any of the Benefit Plans for the Member | BH HCB HPRF PCA | 2,594 | Analysis continues to determine if additional changes are needed. Based on current information, the edit is working correctly. Claims must be manually reviewed to determine if they should deny or moved forward for payment. |
| 3802 | Billing Provider not in Network for Member | Electronic claims | 615 | Majority of remaining claims may be affected by NPI/invalid provider issue – meaning system cannot determine the provider; otherwise, appears to be a situation in which Provider is not enrolled. Claims are posting incorrectly from the electronic data interchange. Analysis is in progress. |
| 3805 | Benefit Plan coverage does not exist for this Member for the services being billed | BH DME FQHC HOSP HPRF LAB TRB | 2,093 | A change was implemented February 15. Analysis has indicated that the edit is now working correctly. The Fiscal Agent must manually work the remaining claims as well as any new ones that suspend for this reason. |
| 3832 | Medicaid coverage – Waiver claim excluded | HCB RSL CCA | 12,291 | These claims are suspending correctly. They will continue to suspend until a change is implemented for new waiver regulations. The disposition to the exception will be revisited at that time. Over 11,550 (94%) of these claims are from Home Based Care providers. |
| 4076 | Review for Medical justification – Prof Claim Types | DENT HPRF TRAN | 2,763 | These claims are suspending correctly. Manual review required to move a claim forward is ongoing. Approximately 1,900 (71%) of these claims are from Ground Ambulance providers. |
| 4105 | Diagnosis Requires Review by the State | FPC HPRF | 369 | Manual work continues on these claims. |

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|-------------------|---|--|--------------------|--|
| 4125 | Diagnosis Requires Review by Fiscal Agent | BH CCA DME FQHC HCB HOSP HPRF PCA SBS TRB | 7,505 | These claims require nurse review. Manual work continues and operational procedures have recently been streamlined. A change was implemented on March 22 for specified diagnosis codes if the member is under the age of 21. This impacted 30% of the claims with this edit and the number of suspended claims decreased from 10,585 claims 2 weeks ago. Another change is planned for early April that is related to date spans. |
| 4645 | Out of State Pricing Segment Not Found | DME FPC HPRF LAB TRAN | 1,881 | Analysis is in progress to determine if a change is needed or if the exception is working as designed. |
| 4826 | Submitted units exceed the maximum units allowed for this procedure | DME HOSP HPRF RSL TRAN | 740 | A problem has been identified that causes this exception to post in error on paper claims. The Optical Character Recognition (OCR) program that reads paper claims ignores decimal points and considers any number(s) after the decimal point as part of the whole units amount. For example, if 1 unit is submitted as 1.0, it is translated to 10 units in the OCR program; 45.0 units submitted becomes 450 units in the system. This causes the claim to reject for too many units. Claims with units without decimals are recognized correctly. A change has been identified that will resolve this issue by allowing OCR to recognize decimals. |

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|-------------------|--|--|--|---|
| 4912 | Procedure code requires pricing | CCA DENT DME FQHC HCB HOSP HPRF LAB PCA RSL TRAN TRVL | 5,932 | This exception occurs when all pricing methodologies have been exhausted and the calculated allowed is zero. An issue was identified this week with the region codes on provider records. This impacts the ability to assign rates for certain claims. Analysis is in progress to determine a solution. At this time, these claims must be manually priced and processed. |
| 4916 | Procedure / Modifier combination Pricing segment is set to Manual Review | DENT DME HCB HOSP HPRF LAB | 7,026 | A rate is not on file causing manual pricing on these claims. Research is in progress to determine if the manual steps can be automated. Review of the factor codes is in progress and Fiscal Agent staff will continue manually pricing these claims. |
| 5051 | Bill Provider - No Match Service Authorization Bill Provider | BH BRS DENT DME FQHC HPRF PCA | 25,000 Denied and need mass adjustment 4,469 Suspended | Billing provider on the claim does not match the billing provider on the service authorization (SA). These claims denied. A fix for the SA part of the problem was implemented February 15. Mass adjustments will be run to reprocess denied claims after the Service Authorization team completes their work. Due to the volume, the mass adjustments will be staggered to reduce risk of error. Suspended claims will also be released for processing. |
| 5220 | Service Authorization record is pended w/errors - Header | BH DENT DME HCB NURS PCA RSL | 1,903 | These claims are set to automatically release for reprocessing each evening so that corrected claims process as the Service Authorization team takes action. Almost 1,500 (79%) of these are Behavioral Health claims. |

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|---------------|--|---|-----------------|---|
| 5221 | Service Authorization record is pended w/errors – Line | BH DENT HCB TRAN | 1,940 | These claims are set to automatically release for reprocessing each evening so that the claim will process as the Service Authorization team takes action. Over 1,600 (83%) of these are Behavioral Health claims. |
| 6110 | Member Medicare Pt B Eligibility w/No Attachment | DME | 1,592 | This exception indicates the member has Medicare Part B coverage for the Dates of Service on the claim, but no attachment was submitted with the claim indicating an Explanation of Medicare benefits. A workaround is allowing these claims to move forward until a permanent change occurs to the system. A system change is targeted for mid-April. |
| 6280 | Cost avoid for no EOB and no TPL dollars | ICFMR SNF/ICF | 464 | If research indicates the edit is working correctly, electronic claims will deny. Providers will need to rebill and submit EOB. The suspended claims for this exception dropped from 10,200 five weeks ago after a change was implemented. However, further analysis revealed that it posts incorrectly when Exception 6430 (Cost Avoid for no TPL \$ but EOB Exists) is Force Paid. A change is scheduled for mid-April to correct the problem. |
| 6430 | Cost Avoid for no TPL \$ but EOB exists | BH DENT DME FQHC HOSP HPRF OCC PHYS RPTC THER THRCTR TRAN TRB | 24,140 | The majority of these exceptions are from paper claims. Almost 16,200 (67%) are claims submitted by Health Professional Groups. Several system changes related to TPL processing have been identified and are in development. Also, additional staff have been added to assist with manually reviewing and processing these claims. |

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|-------------------|--|--|--------------------|---|
| 6440 | Cost Avoid when TPL dollars and EOB Exist | HOSP HPRF TRB | 664 | An automated process has been implemented to update the Other Payer section on claims and to allow Force Payment of this edit. |
| 6604 | Possible Conflict / Different Provider | ASC BH BRS DENT ESRD FQHC HCB HOSP HPRF LAB NURS PHYS RPTC RSL TRAN TRB TRVL | 5,858 | Additional criteria for duplicate edit check will enable these claims to auto-adjudicate and not require staff intervention. These claims are being worked daily until the additional criteria is identified and implemented. In-patient and waiver criteria are under review. A change was implemented in mid-March to fix a problem tied to admit and discharge dates that was related to the process of checking for duplicate claims. |
| 8040 | Service Authorization Units Fully Exceeded | DENT TRAN TRVL | 13,159 | Testing is in progress for system updates to correct this problem. Once the changes are approved, mass adjustments will occur to correct data on claims so that they can then be released for processing. Because of the volume of claims and the complexity of the changes, the mass adjustments will be staggered to reduce risk of error. A target implementation date is pending. Almost 6,900 of these claims are from taxi providers and 5,400 are from travel-related providers. |

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| Edit/ EOB Code | Description | Providers Impacted | Impacted Claims | Status |
|-------------------|--|---------------------------|--------------------|---|
| 8050 | Service Authorization Unit of Measure Mismatch | BH HCB TRAN TRVL | 2,038 | The Service Authorization unit of measure code does not equal the claim line unit of measure code. These claims are suspending incorrectly. A change was implemented in late March for transportation procedure codes and these claims were released for processing on March 27, dropping the number of impacted claims from last week's 4,321. Additional changes are needed for other procedure codes. |
| 9090 | No Fund Code Criteria | HPRF TRVL | 624 | Problems are tied to Category of Service. A problem with the NPI crosswalk was found this week that may impact these claims. Analysis continues on impacted categories to determine appropriate changes to allow them to move forward. A fix to the Category of Service (COS) assigned for EPSDT screening claims was implemented in early March. |