SAN FRANCISCO HEALTH PLAN

CL-10: Notifying Members of Claims Denials

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<tr>
<th>Signature</th>
<th>Title</th>
<th>Date</th>
<th>Action</th>
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<tbody>
<tr>
<td>John Gregorina</td>
<td>CEO</td>
<td>7/27/2020</td>
<td>Biennial</td>
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Signature

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SFHP POLICY AND PROCEDURE

Notifying Members of Claims Denials

<table>
<thead>
<tr>
<th>Policy and Procedure number:</th>
<th>CL-10</th>
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<tbody>
<tr>
<td>Department Owner:</td>
<td>Claims</td>
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| Lines of Business Affected and Coverage Programs Affected: | ☒ Medi-Cal  
☑ Healthy Workers HMO  
☐ Healthy SF  
☐ City Option  
☐ All lines of business and coverage programs as listed above |

**POLICY STATEMENT**

San Francisco Health Plan (SFHP) and its delegated medical groups are responsible for notifying members, in all lines of business, of denials of payment on Emergency Room (ER) and Family Planning claims (also known at SFHP as “Special Arrangements”).

SFHP is responsible for ensuring that its delegated medical groups fulfill this responsibility by reviewing each medical group’s claims processing procedures during each audit of the medical group’s claims function.

**PROCEDURE**

The following steps are followed to ensure notification is sent appropriately, when SFHP denies ER or Family Planning claims for a member:

- During the weekly claims check run, a report and mailing list of members with denied claims, for ER and Family Planning Services, is generated, and a Notice of Action (NOA) letter, in one of the threshold languages, is sent to those members informing them of the claims denial.

- Claims denied for the following reasons are not included in this process because they should not result in a member being balance billed by the provider as prescribed in Welfare and Institutions Code, Sections 14124.795 and 14124.90 regulations:
  - Claim denied as a duplicate of another claim
  - Claim denied because the billed amount on the claim was $0
  - Claim denied for recoupment of an overpayment.

- In parallel, an Explanation of Benefits is sent to the billing provider.

- SFHP Delegated Oversight ensures that delegated medical groups are aware that they are responsible for notifying members of denials of payment on ER and Family Planning claims by:
MONITORING

SFHP maintains a quality assurance program that regularly audits claim payments to ensure policies and procedures are followed and that claim payments are correct.

SFHP provides oversight of its delegated claim adjudication responsibilities through a monthly random claims audit and an annual oversight audit of its delegated medical groups to ensure compliance with applicable laws and regulations.

DEFINITIONS

Notice of Action (NOA): A letter that notifies members about a decision to deny, modify or defer their care.

AFFECTED DEPARTMENTS/PARTIES

Delegated Medical Groups
ITS
Operations -- Customer Service
Operations -- Provider Network Operations
Operations -- Quality Assurance

RELATED POLICIES & PROCEDURES, DESKTOP PROCESS & PROCESS MAPS

1. 0475Q NOA Extract Report
3. Claims Denial NOA Letter Template
4. Claims SharePoint NOA Letter Log
5. DO-05 Oversight of Claims
6. PPI-01: Claims Quality Assurance Program

REVISION HISTORY

Effective Date: July 9, 2009
Revision Date(s): March 1, 2018; July 16, 2015; October 27, 2010; March 12, 2010; July 9, 2009; July 16, 2020

REFERENCES

1. 22 CCR §51014.1 Fair Hearing Related to Denial, Termination or Reduction in Medical Services
2. 22 CCR §51014.2 Medical Assistance Pending Fair Hearing Decision
3. 22 CCR §Section 53894 Notice to Members of Plan Action to Deny, Defer, or Modify a Request for Medical Services
4. 8 CCR §1300.67(g) Scope of Basic Health Care Services
5. Health and Safety Code §1367.01