



DHCS Clinical Assurance and Administrative Support Division

Dispute Process

- Upon your receipt of each Statement of Findings report (SOF), if you choose to dispute any of the findings, you must submit a Dispute Resolution Form to DHCS within 60 days from the date of the SOF. Dispute Resolution Forms are available on the DHCS website at: <http://www.dhcs.ca.gov/provgovpart/Pages/PublicHospitalProject.aspx>.
- Completed Dispute Resolution Forms and any additional documentation in support of the dispute must be submitted online to the facility's dispute folder at: <https://etransfer.dhcs.ca.gov>.
- The Dispute Resolution Form must clearly identify what variance and dates of service the provider is disputing. Please note that the medical review conducted for the dispute is independent of the medical review completed by the field office staff; therefore, the provider is encouraged to submit all relevant clinical documentation with their disputes, such as, but not limited to daily physician Progress Notes, Consult Reports, Doctor's Orders, History and Physical, Operative Reports, Imaging Studies, and the Discharge Summary. This will ensure that a thorough medical review can be completed by the DHCS medical consultant.
- Variance findings from the SOF report that may result in potential claim adjustments will be postponed until resolution of the dispute.

Claim Adjustment Process

- If you choose not to dispute the findings or if any findings are upheld through the dispute process, you must resubmit the claims that have been paid through the claims inquiry form (CIF) process to reflect the changes requested in the original SOF report or finalized dispute report.
- This process includes the coding of the claim, followed by an appeal for the corrected payment as outlined in the "CIF Completion" and "CIF Submission and Timeline Instruction" sections on the Medi-Cal website (see links below).

CIF Completion

http://files.medi-cal.ca.gov/pubsdoco/publications/masters-mtp/part2/cifco_z02.doc

CIF Submission and Timeline Instructions

http://files.medi-cal.ca.gov/pubsdoco/publications/masters-mtp/part2/cifsub_z02.doc

- The CIF process must be initiated within 60 days of the date of the letter transmitting the SOF or, if any SOF variances are disputed, within 30 days following the date of receipt of notification of the final resolution of the disputes.
- All findings not following this procedure will be recouped on a timely basis directly by DHCS through the Audits and Investigations Division (A&I) on a quarterly basis. The following page outlines the A&I recoupment process.

Designated Public Hospital Project Process for Disputes, Claim Adjustments and Recoupment (continued)

DHCS Audits and Investigations (A&I) Recoupment Process

Step 1: Facility Contact

- The recoupment process for A&I involves two steps. The first is contact with the facility through the “Notice of Proposed Adjustment to Designated Public Hospital Project Review of Medical Necessity and Recovery” letter (exit letter). The exit letter will include all relevant documents to support the financial recoupment of all previously identified findings for the applicable period (i.e., the SOF and/or dispute reports).
- In responding to the exit letter, each facility will have 15 calendar days to dispute only the overpayment calculation.

Step 2: Cost Report and P14 Review

- Upon completion of the exit process and associated timeline, the next step of this process is to issue a Designated Public Hospital Project Review of Medical Necessity and Recovery audit report. This report will recover the overpayment. The audit report provides the facility appeal rights to the overpayment calculation as well as additional appeal rights based upon the medical necessity of each identified finding.
- Medical necessity appeals must be based on the medical necessity of each case associated with each identified claim rather than as an aggregate.
- The DHCS fiscal intermediary will also simultaneously send out a demand letter for the amount owed along with a Statement of Account Status report (Pursuant to Title 22, CCR, Section 51047, the amount shown due must be paid in full within 60 calendar days from the date of the demand letter. Any amounts unpaid as of the 61st day will be subject to interest at prescribed rates and may be offset through 100 percent withhold on your current billings).
- If the facility disagrees with the findings in the audit report, then a written appeal may be submitted to the Office of Administrative Hearings and Appeals. The written notice of disagreement must be received by DHCS within 60 calendar days from the day the audit report was issued. This process will elevate the appeal to the Office of Administrative Hearings and Appeals. The procedures that govern an appeal are contained in Welfare and Institutions Code, Section 15171, and CCR, Title 22, Section 51016, et seq.
- The claims schedule provided at exit for the Designated Public Hospital Project Review of Medical Necessity and Recovery Audit Report will be incorporated into the Cost Report Review (audit report) for each the facility. Days and ancillary charges will be eliminated and interim payments reduced to reflect the voided claims recovered.

Designated Public Hospital Project Process for Disputes, Claim Adjustments and Recoupment (continued)

- The information from the cost report will subsequently be implemented into the P14 workbook for the corresponding fiscal year. P14 workbooks do not have appeal rights. It is important to remember P14 workbooks incorporate the claims data based on their status at the time the review is performed and no revisions will be possible. Contact your Cost Report preparer or consultant for all P14 workbook deadlines.
- Any claim recovered may be formally appealed; however, only the interim contracted payment recovered in the Designated Public Hospital Project Review of Medical Necessity and Recovery audit report will be returned in the event of a reversal. All adjustments to P14 settlement are final and based on the claim adjudication status at the time of review.