



COUNTY OF LOS ANGELES  
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**SAPC BULLETIN NO. 14-01**

February 14, 2014

TO: Executive Directors  
Drug Medi-Cal Providers

FROM: Wesley L. Ford, M.A., M.P.H., Director  
Substance Abuse Prevention and Control

SUBJECT: **NEW 60-DAY DENIED CLAIMS REPLACEMENT PROCESS FOR DRUG  
MEDI-CAL BILLINGS**

**PURPOSE**

This bulletin informs all Drug Medi-Cal (DMC) providers of a new deadline for replacing denied claims. This procedure requires that all denied claims must be replaced within 60 days of a denial. Denied claims that are not replaced within 60 days will trigger a denial notification recoupment process. This new procedure should result in the timely replacement of claims and a reduction in amounts owed at year-end cost settlement.

**60-DAY REPLACEMENT**

All denied claims must be replaced by the provider within 60 days of being notified of the denial. Denied claims not replaced within this time limit will be subject to a recoupment of the amount previously paid for the denied claim. The current steps for replacing denied claims remain the same. However, our system has been enhanced so that you can see those denied claims which need to be replaced including the amount of time left to replace them (Attachment I). It also provides summary information on your replacement activity as well as claims that were not replaced which are subject to recoupment.

Executive Directors  
Drug Medical Providers  
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No conflict with State timelines

Current State timelines allow denied claims to be replaced within six months, and this does not change under our new 60-day procedure. If you submit a replacement after 60 days, we will still process that claim to the State. However, not meeting the 60-day limit will trigger a recoupment in the next billing cycle of the amount previously paid for the denied claim. If the replacement claim is later approved, we will return the recouped funds to you at year-end cost settlement and not at the next billing cycle.

Denied replacement claims

Replacement claims that are submitted within the 60-day limit will have met the requirement and will not trigger a recoupment at that time. But if a replacement claim is subsequently denied, a recoupment will then be made at the next billing cycle. If this claim is replaced again and subsequently approved, we will return the recouped funds at year-end cost settlement.

Affected claims

This procedure affects all future denied claims as well as all outstanding denied claims from July 2013 to current. All outstanding denied claims must be replaced within 60 days from the date of this bulletin to avoid recoupment. Future month's denied claims must be replaced within 60 days of the denial notification.

**EFFECTIVE DATE**

This new procedure is effective the date of this bulletin. Sample timelines are provided to illustrate the 60-day limit and the recoupment process (Attachment 2).

**QUESTIONS**

Questions regarding the online billing system may be directed to Richard Lugo at (626) 299-4547 or [rlugo@ph.lacounty.gov](mailto:rlugo@ph.lacounty.gov). Other DMC billing inquiries may be directed to Robert Lucero at (626) 299-4183 or [rlucero@ph.lacounty.gov](mailto:rlucero@ph.lacounty.gov).

WLF:js  
Assign #13-29924

Attachments

Home

- Client Management
- Invoices
- View Manual
- Denials
- Replaced Claims
- DMC Counselor
- Replacement Error Codes
- Management Tools
- Change Password
- DMC Recoupment
- Funding Sources
- Assign SOW Funding
- Encumbrance Number
- Generate PDR
- Process Invoices
- Payment Locations
- Service Utilization
- View Client Services
- Monitor Log
- CAPS Reconciliation
- Billing Reports
- Process Replacement
- DMC Agency Summary
- DMC Recoupment Process

Welcome vpham! [ Log Out ]

LOS ANGELES COUNTY - DEPARTMENT OF PUBLIC HEALTH  
SUBSTANCE ABUSE PREVENTION AND CONTROL  
CIS

**Location Address**  
1000 South Fremont Avenue, Alhambra, CA, 90018

You can search client by first name or last name or ClaimID.  
To show all clients, leave the search box blank and click on Search.

Enter full or partial client's first name or last name or ClaimID:

**Drug Medi-Cal Unprocessed Original Denial List (Pending Original Replacement)**

ID	Last Name	First Name	ClaimID	Procedure Code	Svc Start Date	Denied Date	Days Left to Replace	Recouped by SADC	CASCO1	CASCO2	CASCO5	LOO2	CLP07 PCCN
Replace 18753	Flintstone	Wilma	A111198927	H0020	9/20/2013	12/1/2013	-12	Y	CO	22			98013477
Replace 18764	Rubble	Barney	A111198905	H0004	10/10/2013	12/20/2013	7		CO	22			98013488
Replace 18786	Flintstone	Dino	A111198926	H0020	10/5/2013	12/2/2013	-11	Y	CO	22			98013510
Replace 18789	Flintstone	Dino	A111198886	H0020	9/5/2013	12/27/2013	14		CO	22			98013513
Replace 18790	Flintstone	Dino	X111198887	H0020	10/2/2013	12/24/2013	11		CO	22			98013514
Replace 18791	Rubble	Betty	A111198928	H0020	10/8/2013	1/2/2014	20		CO	22			98013515
Replace 18792	Rubble	Betty	A111198929	H0020	10/6/2013	11/30/2013	-13	Y	CO	22			98013516
Replace 18793	Rubble	Betty	A111198889	H0004	9/19/2013	12/28/2013	15		CO	22			98013517
Replace 18801	One	Sample	A111198844	H0004	10/5/2013	12/27/2013	14		CO	AI	M80		98013525
Replace 18831	One	Sample	A111198931	H0004	10/30/2013	1/5/2014	23		CO	22			98013555

[Record Detail](#)

**60-day Denied Claims Replacement Process  
Sample Timelines**

**Prior denied claims (July 2013 to current)**

	<u>Time period</u>
60-day bulletin issued to providers	February 14
60-day deadline for provider to replace denied claims	April 15
Denied claims not replaced are recouped from next payment	April 25th payment

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**Ongoing**

For January services:

	<u>Time period</u>
Provider submits billings to SAPC	by February 10
SAPC pays provider for billings	by February 25
SAPC submits billings to State for adjudication	end of February
SAPC receives denied claims info from State	by March 10*
SAPC transmits denied claims info to providers	March 11*
60-day deadline for provider to replace denied claims	May 10*
Denied claims not replaced are recouped from next payment	May 25th payment

\* These dates may vary. The 60-day timeline starts when provider receives denied claims info from SAPC