

	Claims Processing Requirements Policy	
Policy # 5876	Categories Administration / Non-Clinical → Claims	This Policy Applies To: Texas Children's Health Plan
		Document Owner April Riggs

POLICY STATEMENT:

It is a policy of the Texas Children's Health Plan (TCHP) to process and adjudicate all provider claims for medically necessary health care covered services that are filed within the timeframes specified in Uniform Managed Care Manual (UMCM). TCHP is subject to contractual remedies, including liquidated damages and interest, if it does not process and adjudicate claims in accordance with the procedures and the timeframes listed in UMCM Chapter 2.0.

In addition, TCHP must process and pay Medicaid provider claims in accordance with the benefit limits and exclusions as listed in the Texas Medicaid Provider Procedures Manual.

1. PROCESSING AND PAYMENT REQUIREMENTS:

- 1.1. Once a clean claim is received, TCHP is required, within the 30-Day claim payment period, to:
 - 1.1.1. Pay the total amount of the claim, or part of the claim, in accordance with the Contracts, or
 - 1.1.2. Deny the entire claim, or part of the claim, and notify the provider why the claim will not be paid.
 - 1.1.3. Pharmacy Claims are excluded from the 30-Day payment period.
- 1.2. Payment is considered paid on the date of:
 - 1.2.1. The date of issue of a check for payment and its corresponding Remittance and Status (R&S) Report or explanation of payment to the provider by TCHP, or
 - 1.2.2. Electronic transmission, if payment is made electronically.

TCHP must submit a request for additional information necessary to allow Adjudication of a Deficient Claim from the provider within 30 Days from the date of the Received Date of Claim.

2. PERFORMANCE REQUIREMENTS AND TIMEFRAMES:

2.1. TCHP is required to finalize electronic and paper claims according to the following performance requirements and timeframes:

- 2.1.1. Within 30 Days of receipt, Adjudicate 98 percent of all Clean Claims by claim type and by Program.
- 2.1.2. Within 90 Days of receipt, Adjudicate 99 percent of all Clean Claims by claim type and by Program.
- 2.1.3. Within 30 Days of receipt, Adjudicate 98 percent of all Appealed Claims by claim type and by Program.
- 2.1.4. TCHP and subcontracted claims processors are required to finalize all claims, including Appealed Claims, within 24 months from the date of service.

3. INTEREST PAYMENTS:

3.1. TCHP will apply, as outlined in Chapter 2 of the UMCM, interest at an 18 percent annual rate, calculated daily, for the full period in which the Clean Claim or portion of the Clean Claim remains un-adjudicated beyond the 30- Day Claims Processing deadline. The principal amount on which the interest payment will be calculated is the amount due but unpaid at the contracted rate for the service. TCHP will keep an accurate and sufficient audit trail for each interest payment and its corresponding claims documentation and provide a detailed report to HHSC upon request.

4. PAYMENTS:

4.1. TCHP initiates payment of claims, at a minimum, twice per week. TCHP makes an electronic funds transfer (EFT) payment process for direct deposit available to Network Providers.

4.2. TCHP may deny a claim submitted by a provider for failure to file in a timely manner as outlined in the UMCM Chapter 2.0.

4.3. TCHP must withhold all or part of payment for any claim submitted by a provider:

- 4.3.1. excluded or suspended from the Medicare, Medicaid, or CHIP programs for Fraud, Waste, or Abuse
- 4.3.2. on payment hold under the authority of HHSC or its authorized agent(s)
- 4.3.3. with debts, settlements, or pending payments due to HHSC, or the state or federal government
- 4.3.4. for neonatal services provided on or after October 1, 2018, if submitted by a Hospital that does not have a neonatal level of care designation from HHSC
- 4.3.5. for maternal services provided on or after September 1, 2020, if submitted by a hospital that does not have a maternal level of care designation from HHSC

* In accordance with Texas Health and Safety Code § 241.186, the restrictions on payment identified in items 4–5 above do not apply to emergency services that must be provided or reimbursed under state or federal law.

5. INTERNAL AUDITS:

5.1. TCHP must maintain appropriate levels of claims auditing staff to quickly identify processing errors and trends. TCHP's claims audit procedures must comply with accepted industry practices, processes, and standards. TCHP must provide adequate training and supervision to audit staff and claim processors. The claims audit reports should be reviewed with TCHP management to ensure that Claims Processing and management systems are adjusted as needed for continuous quality improvement. The claims auditing function should report to the highest level of claims operations, or to a higher executive management position.

5.2. Unless otherwise outlined as an exception in Section 8.1.18.5 of the Uniform Managed Care Contract, TCHP must complete all audits of a provider claim no later than two years after receipt of a clean claim, regardless of whether the provider participates in TCHP's Network. This limitation does not apply in cases of provider Fraud, Waste, or Abuse that TCHP did not discover within the two-year period following receipt of a claim. In addition, the two-year limitation does not apply when the officials or entities identified in Attachment A, Section 9.02(c) of the UMCC,

conclude an examination, audit, or inspection of a provider more than two years after TCHP received the claim. Finally, the two-year limitation does not apply when HHSC has recovered a capitation Contractual Document (CD) Subject: Attachment B-1 – Medicaid and CHIP Managed Care Services RFP, Section 8 Version 2.29 8-133 from TCHP based on a Member's ineligibility. If an exception to the two-year limitation applies, then TCHP may recoup related payments from providers. If an additional payment is due to a provider because of an audit, TCHP must make the payment no later than 30 Days after it completes the audit.

5.3. If the audit indicates that TCHP is due a refund from the provider, TCHP must send the provider written notice of the basis and specific reasons for the recovery no later than 30 Days after it completes the audit. If the provider disagrees with TCHP's request, TCHP must give the provider an opportunity to appeal, and may not attempt to recover the payment until the provider has exhausted all appeal rights.

6. PROJECT REQUIREMENTS:

6.1. TCHP may initiate a Project at its own initiative. All claims included in a particular Project must be finalized within 60 days of the Project being opened or within an agreed upon timeframe between the Provider and TCHP. If TCHP is unable to complete the Project within 60 Days, TCHP will enter a written agreement with the Provider before the expiration of the initial 60 day period to establish the Project's agreed upon time frame. TCHP must maintain the agreement for 18 months from the conclusion of the Project and make the agreement available to HHSC upon request. TCHP shall not include Nursing Facility Daily/Unit rate claims as part of a Project. TCHP will report monthly to HHSC the start and end date for all Projects using HHSC's report template.

7. OTHER REQUIREMENTS:

7.1. TCHP will not directly or indirectly charge or hold a Member or Provider responsible for claims adjudication or transaction fees.

7.2. Texas Children's Health Plan will submit a written request for an across-the-board rate reduction to HHSC's Director of Program Operations and provide a copy to the Health Plan Manager, if

the reduction is not based on a change in the Medicaid fee schedule or cost containment initiative implemented by HHSC. Texas Children's Health Plan will submit the request at least 90 days prior to the planned effective date of the reduction and receive HHSC approval.

7.3. Texas Children's Health Plan will give Providers at least 30 days' notice of changes to Texas Children's Health Plan's fee schedule, excluding changes derived from changes to the Medicaid fee schedule, before implementing the change. If Texas Children's Health Plan fee schedule is derived from the Medicaid fee schedule, Texas Children's Health Plan must implement fee schedule changes no later than 60 days after the Medicaid fee schedule change, and any retroactive claim adjustments must be completed within 60 days after HHSC retroactively adjusts the Medicaid fee schedule

7.4. Texas Children's Health Plan must maintain an automated claims processing system that registers the date a claim is received by Texas Children's Health Plan and the detail of each claim transaction (or action) at the time the transaction occurs and has the capability to report each claim transaction by date and type to include interest payments. The claims system must maintain information at the claim and line detail level. The claims system must maintain adequate audit trails and report accurate claims performance measures to HHSC.

7.5. Texas Children's Health Plan's claims system must maintain online and archived files. Texas Children's Health Plan must keep online-automated claims payment history for the most current 18 months. Texas Children's Health Plan must retain other financial information and records, including all original claims forms, for the time period established in Attachment A, "Uniform Managed Care Contract Terms and Conditions," Section 9.01, "Record Retention and Audit." All claims' data must be easily sorted and produced in formats as requested by HHSC.

7.6. Texas Children's Health Plan must offer its Providers/Subcontractors the option of submitting and receiving claims information through electronic data interchange (EDI) that allows for automated processing and adjudication of claims. EDI processing must be offered as an alternative to the filing of paper claims. Electronic claims must use HIPAA-compliant electronic formats.

7.7. Texas Children’s Health Plan must notify HHSC of major claim system changes in writing no later than 180 days prior to implementation. Texas Children’s Health Plan must provide an implementation plan and schedule of proposed changes. HHSC reserves the right to require a desk or onsite Readiness Review of the changes.

7.8. Texas Children’s Health Plan must ensure that its claims coding and processing guidelines are made available to its Contracted Providers.

7.9. Texas Children’s Health Plan must provide to their Contracted Providers written notice at least 90 Days prior to implementing any changes to claims policies and guidelines, unless changes mandated by Texas Health and Human Services Commission (HHSC) require a different notice. TCHP will obtain recovery of payment from a liable third party and not from the provider unless the provider received payment from both the TCHP and a liable third party.

RELATED DOCUMENTS:

[Claims Processing Standards Procedure](#)

REFERENCES:

Uniform Managed Care Manual

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