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Department of Health and Hospitals

Louisiana Department of Health and Hospitals
Health Plan Advisory 12-9
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Clarification of Provider Disputes Relative to Denied Claims and Services

The Department of Health and Hospitals is providing the following clarification of Bayou Health policy regarding provider disputes of denied claims and services:

Denied Claims

In instances where payment is denied for a rendered service or a part of a service, the member's consent is not required in order for the provider to dispute the denial of the claim. The provider may dispute on the basis of nonpayment for rendered services under the terms and conditions outlined in the contract with the individual Bayou Health Plans. The member is not required to sign an authorized representative form, or provide other forms of written consent, for the provider to dispute the denied claim for payment.

In accordance with Bayou Health policy, for each denied claim, providers must be notified of the amount and reason for the denial.

Denial of Services Prior to Claim Submission

If a provider has received a denial for a service that has already been provided to the member, yet there has not been a claim submitted, the member's consent is not required in order for the provider to dispute the denied service. Once the member has received the service, the dispute of the denial for that service is not a member appeal. As such, the provider is not required to obtain the member's consent to dispute the denied service.

Member Notification

A member that has received a Louisiana Medicaid covered service cannot be held liable for non-payment to the provider. There shall be no adverse action taken against the member for these denials. Therefore, these denials are neither disputable by, nor on behalf of, the member. In instances where services were already provided, the member should not be sent a notification of the denial. Notification of this kind could result in a misunderstanding on the part of the member.

A dispute for these types of claims and service denials is between the Health Plan and the provider - the member is not involved. The Health Plan shall ensure the provider does not hold the members liable for the costs of any services provided by a provider whose service is not covered by the Health Plan or does not obtain timely approval or required prior-authorization.