

Service Verification

Policy Number: A20140325012
Effective Date: 6/2/2014
Sponsoring Department: Special Investigations Unit
Impacted Department(s): State Government Programs, Servicing, Claims, SIU

Type of Policy: ☒ Internal ☒ External

Data Classification: ☐ Confidential ☒ Restricted ☐ Public

Applies to (Line of Business):

- ☐ Corporate (All)
☒ State Products, if yes which plan(s): ☒ MediSource; ☒ MediSource Connect; ☒ Child Health Plus; ☐ Essential Plan
☐ Medicare, if yes, which plan(s): ☐ MAPD; ☐ PDP; ☐ ISNP; ☐ CSNP
☐ Commercial, if yes, which type: ☐ Large Group; ☐ Small Group; ☐ Individual
☐ Self-Funded Services *(Refer to specific Summary Plan Descriptions (SPDs) to determine any pre-authorization or pre-certification requirements and coverage limitations. In the event of any conflict between this policy and the SPD of a Self-Funded Plan, the SPD shall supersede the policy.)*

Excluded Products within the Selected Lines of Business (LOB)

This section is intended to list specific LOB products that are excluded from adhering to this policy (due to differences in law/regulations). If not applicable, please indicate N/A.

Applicable to Vendors? Yes ☐ No ☒

Purpose and Applicability:

The purpose of Service Verification is to validate that the claims for services rendered that were billed to Independent Health were in fact received by the respective Independent Health **member**. The practice of randomly sampling members is a prudent practice designed to support efforts to detect potential fraud, waste or abuse, and in the case of MediSource members, it will put us in conformity with the *Restricted*

requirements under the Medicaid Managed Care contract, sections 23.2 Prevention Plans and Special Investigation Units and 23.3 Service Verification Process.

Policy:

Independent Health conducts service verification for an identified subset of members who had received services and for whom a claim had been processed on a quarterly basis. The purpose of this process is to validate that the services billed by Independent Health's network of **providers** were received by a **member**.

Process: At the end of every quarter, a **statistically valid** random sample of Medicaid and Child Health Plus members who incurred medical claims in the prior quarter will be selected for a service verification letter to be sent. These letters from Independent Health request that the member contact Independent Health's Servicing department to confirm whether or not the service billed was in fact received by the member. These calls will be documented and tracked for reporting purposes within the plan's inquiry intake system (Siebel).

In addition to the **statistically valid** sample of Medicaid and Child Health Plus medical claims, we also may verify services in other cases. Specific to Medicaid, Independent Health will also request a data extract for pharmacy claims in the quarter where the member had a claim for any of the drugs listed on the CMS Pharmacy risk assessment listing. A **statistically valid** sample of claims involving those drugs will be generated and the service verification letter sent to selected sample members having such claims in the prior quarter.

Information is gathered and processed by the receiving department, as described in the Special Investigations Unit departmental **SOP** for Servicing. Service verification processes are then followed, as described in the SIU standard operating procedure: SIU – Hotline, email inbox & Siebel service request.

Reporting will be made available to analyze the responses that Independent Health receives as the result of this Service Verification process.

Pre-Authorization Required? Yes ☐ No ☒

Definitions

Hotline – a dedicated telephone number used for accepting reports of suspected fraud or abuse.

Member – Medicaid Managed Care beneficiary, or Family Health Plus beneficiary

Provider(s) - any physician, hospital, ancillary facility, licensed social worker, registered physician assistant or any individual licensed and authorized to practice in the state of New York for the delivery of medical, psychological or substance abuse services.

SOP – Standard operating procedure

Statistically valid - sample to a confidence level of 97%

References

Related Policies, Processes and Other Documents

Member services - Special Investigations Unit SOP

SIU – Hotline, email, inbox & Siebel service request

Non-Regulatory references

N/A

Regulatory References

Medicaid Managed Care contract, sections 23.2 Prevention Plans and Special Investigation Units and 23.3 Service Verification Process

42 CFR 455.20 Recipient verification procedures

42 CFR 433.116 (e) and (f); FFP for operation of mechanized claims processing and information retrieval systems

Version Control

Sponsored By:

Name sponsor: Jared M. Gross

Title of sponsor: Chief Financial Officer

Signature of sponsor:

Restricted



Revision Date	Owner	Notes
5/22/2019	Sheila Caulfield	Reviewed, no edits.
5/1/2020	Click here to enter text.	Reviewed, no edits.
3/5/2021	Click here to enter text.	Reviewed, no edits.
1/12/2022	Katherine Jurkas	Reviewed, No edits
11/4/2022	Katherine Jurkas	Reviewed, No edits
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10/15/2024	Katherine Jurkas	Reviewed, No edits
6/25/2025	Katherine Jurkas	Signature or sponsor updated to Jared M. Gross