

# Invoice Processing Workflow

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## About the Application:

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Delaware Department of Health and Social Services - Division of Substance Abuse & Mental Health (DHSS DSAMH) has implemented a document management and workflow solution in DocuWare to gain better control of processes for submitting, approving and storing invoices. DocuWare automation replaces the previous manual solution where invoices were either physically scanned or being monitored from an email inbox and tracked in multiple spreadsheets from ingestion through approval.

DocuWare for Invoice Processing provides a seamless solution for invoice management by digitizing paper invoices, capturing other electronic invoices, and subsequently triggering approval workflows based on business rules to ensure accurate and rapid processing and payments.

The solution delivers many productivity benefits to the DSAMH, including the following:

- Capture, sort and archive invoices from any device or any format (scanned paper, email, mobile captures and more) in an easily searchable file structure.
- Extract details from all invoices, easily enter your GL accounts and cost centers with DocuWare's Intelligent Indexing.
- Approve workflows to accelerate the process based on your business rules.
- Record notes directly on the invoice image with annotation functionality.
- Maintain compliance and a complete audit trail with transparent approval history, automatic document filing and encryption.
- Maintain a secure, organized, and searchable invoice archive for audits and budget planning.

Beginning July 1, 2023, all invoices (CR, Fixed Rate, Fixed Rate SUDS NARR (1-3), FFS-IMD, FFS-SUD, FFS-PROMISE, Operational, and GSS) are submitted through email to the Business Operations Mailbox and will be manually uploaded into DocuWare by OSEC staff.

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## Terms and Definitions:

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**Fee-for-Service (FFS):** A payment model is one in which a specific amount is paid when a particular service is delivered. The term FFS is often short for FFS Medicaid but should not be limited to Medicaid billable services. For this training, "FFS Medicaid" refers to a payment for an individual who is enrolled in Medicaid but not assigned to a Managed Care Organization (MCO), so the Division of Medicaid and Medical Assistance (DMMA) is paying for the service. This could be for a service provided and service paid (aka FFS) or a daily rate (aka per diem).

**Fixed-Rate:** A payment model is one in which a specific amount is paid when a particular service is delivered. This term is used for services that are NOT Medicaid billable. For example, the new transportation (service) with PTSDel provides transportation from the ER to the Institution for Mental Disease, or an IMD, for patients on an involuntary hold. We pay the provider mileage to transport the patient, and then a fixed rate if they go over the county line.

**Per Diem Rate:** A payment rate that is made for each calendar day on which one or more services are provided to a particular patient. For example, if a payer pays a hospital for inpatient care on a per diem basis, the total payment to the hospital for an individual patient would depend on how many days the patient spent in the hospital before being discharged, but not on how many services were delivered on any of those days. Another example is for intensive outpatient programs (IOP) where several services are provided for a set amount of time and all the services are covered by a single payment.

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**Room and Board** is a payment that is paid per diem which covers the costs of the living environment, food, living incidentals, heat, etc.

**Cost Reimbursement:** Services or supports provided and/or incidentals to run a program for which the provider is reimbursed for the actual and allowable costs, included but not limited to staffing, rent, heating, etc. For example, Targeted Case Management is not a Medicaid billable service. This program serves SMI/SUD under and uninsured clients to support them leaving the IMDs and to support their transition to a provider. DSAMH pays for the cost to maintain this program from the rent for the building to staff working with the clients and may pay all or a portion of the cost. Cost reimbursement covers the cost of the program and not individuals served.

**Deliverable-Based Payment:** An activity established in a contract that has been completed, or a product that has been delivered. (for example: an education campaign product, completion of a report)

**Invoice Cover Letter:** The invoice cover letter is a template generated by DSAMH for each provider and includes information that helps DocuWare build Intelligent Indexing to help drive the workflow. This information includes the invoice type, contract number, fiscal string (state), fiscal string (federal), and the invoice amount, date, and type.

**Ingestion:** When providers email their invoice and the invoice is verified by OSEC Administration staff, it is then stored into the processing workflow. This is the point of 'ingestion'. 'Ingestion' will trigger a confirmation email to providers which begins the approval process.

## Service Examples and Submission Requirements:

<i>Service Examples</i>	<i>Payment Methodologies</i>	<i>Submission Status</i>
Community Behavioral Health Outpatient Treatment PROMISE SUDS (ASAM 1.0, 2.0-3.7)  IMD* Integrated Housing *	Fee for Service  *paid on service per diem rate	<i>DocuWare</i>
Consultant Contracts GSS Operational Invoices	Deliverable Based Payment	<i>Resource Mailbox</i>
Transportation NARR (Sober Living)	Fixed Rate	<i>DocuWare</i>

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Peer Recovery Centers	Cost Reimbursement	DocuWare
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## Policies:

**Delaware State Code** is a systematic selection of statutes/laws arranged by subject and titles. The State Code governs all that we do and the following sections contain specific information related to policies and procedures for this project: <https://delcode.delaware.gov/>

**Policy Memorandums** are the Department of Health and Social Service (DHSS) clarifications to and links between specific state and federal codes. For this training, the PM of note is the PM37: <https://www.dhss.delaware.gov/dhss/admin/policy/files/pm37.pdf>

**DSAMH Provider Policies** can be found on the DHSS website at: <https://dhss.delaware.gov/dsamh/policies/ProviderPolicies.html>

## Submitting Invoices

Beginning July 1, 2023, all invoices (CR, Fixed Rate, Fixed Rate SUDS NARR (1-3), FFS-IMD, FFS-SUD, FFS-PROMISE, Operational, and GSS) are submitted through email to the Business Operations Mailbox ([dsamhbusinessoperations@delaware.gov](mailto:dsamhbusinessoperations@delaware.gov)) and will be manually uploaded into DocuWare by OSEC staff.

**INGEST into DocuWare:** When providers email their invoice and the invoice is verified by OSEC Administration staff, it is then stored into the processing workflow in DocuWare. This is the point of 'ingestion'. 'Ingestion' will trigger a confirmation email to providers which begins the approval process. This may be up to 2 business days after the invoice is submitted via email. Providers should contact their program lead if they do not receive this confirmation within 2 business days.

Sample DocuWare Email:

**From:** DocuWare Notification <noreply@docuware.cloud>

**Sent:** Tuesday, May 23, 2023 1:03 PM

**To:** <email notification group on file>

**Subject:** Invoice Confirmation Receipt - Invoice # 12345

Your invoice has been successfully ingested and has entered the Invoice Approval Process - this does not imply that the Invoice has been reviewed, approved or extracted for payment.

Invoice Information:

Invoice Number: 12345

Contract Number: 678910

Invoice Date: 5/23/2023

Invoice Amount: \$\$\$\$

Provider Name: ABC Inc.

# Invoice Processing Workflow

For Operational and GSS invoices, providers do not get a confirmation email when the invoices are ingested.

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## Invoice Documentation

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In addition to implementing DocuWare, DSAMH has reduced the need for providers to submit supporting documentation with each invoice. Instead, the following documents are required:

- **For Cost Reimbursement, Fixed Rate, and PROMISE invoices**, submit invoice cover letter and invoice spreadsheet.
- **For IMD and Substance Use Disorder (SUDS) Residential invoices**, submit invoice cover letter, invoice spreadsheet, final authorization form, and EOB or underinsured justification (if applicable)
- **For GSS or Operational invoices** there is no change and invoices and supporting documentation will be submitted without a cover letter.

**\*When submitting invoice documentation, invoice numbers and filenames are extremely important! Providers must be sure to follow the naming convention below, including the order of components and underscored spaces. Failure to follow the format could result in a rejected invoice.**

### Invoice Number Format:

Contract Year\_Provider name\_service type\_location\_payment methodology\_Month\_Year of Service

**The invoice number is provided by DSAMH.**

**The month\_year of service is entered by the provider at time of submission.**

*Example: FY24\_RI\_CAPAC\_NCC\_CR*

*In this example, the:*

- *Contract Year is **FY24***
- *Provider Name is **RI***
- *Service Type is **CAPAC***
- *Location is **NCC***
- *Payment Methodology is **CR***

### Filenames:

**Invoice Cover Letter**, (doc or pdf format), filename protocol 'InvoiceNumber\_ Month\_Year of Service'

For Example: *FY24\_RI\_CAPAC\_NCC\_CR\_04\_2023*

*In this example, the Month\_Year of Service is 04\_2023 (must be in mm\_yyyy format)*

**Invoice Spreadsheet** (xls), filename protocol 'InvoiceNumber\_ Month\_Year of Service'

For example: *FY24\_RI\_CAPAC\_NCC\_CR\_04\_2023*

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## Components of a Cover Letter

Cover Letter: FY24\_AbleHands\_GH\_MINQUIL\_FFS-PROMISE

Invoice Submission must include this cover letter with the following:

- On Line 1.a, add the month and year of service
- On Line 1.e, add the invoice amount
- On Line 2, add an authorized signature
- On Line 3.b, add the total expenditures to date
- On Line 3.c, add the remaining balance of the budget

Before submitting an invoice, check these areas to ensure the correct cover letter template is used for your organization, program, and contract type.

**\*Do not change any other information**

1. Certification Letter

- a. Invoice Number: FY24\_AbleHands\_GH\_MINQUIL\_FFS-PROMISE\_MM\_YYYY
- b. Contract Number: FY21-HSS-20-040 AH
  - i. Fiscal String (State)
  - ii. **Purchase Order:** PO656512
  - iii. **Bud Ref\*:** 2024
  - iv. **Fund Code\*:**
  - v. **Department\*:** 350620
  - vi. **Appropriation\*:**00521
  - vii. **Account Code\*:**
  - viii. **OPU (Operation Unit)\*:**
  - ix. **Project\*\***
  - x. **Activity\*\***
  - xi. **Percent Allocation: 100%**
  - xii. **Start Dates for Billing to Fiscal String (State):**
  - xiii. **End Date for Billing to Fiscal String (State):**
- c. Fiscal String (Federal)
  - xiv. **Purchase Order:**
  - xv. **Bud Ref\*:**
  - xvi. **Fund Code\*:**
  - xvii. **Department\*:**
  - xviii. **Appropriation\*:**
  - xix. **Account Code\*:**
  - xx. **OPU (Operation Unit) \*:**
  - xxi. **Activity\***
  - xxii. **Percent Allocation:**
  - xxiii. **Start Dates for Billing to Fiscal String (Federal):**
  - xxiv. **End Date for Billing to Fiscal String (Federal):**

*Note\*:* required field for all invoice submissions  
*Note\*\*:* optional field, only required for invoices that are receiving federal funds
- d. Invoice Amount: \_\_\_\_\_
- e. Invoice Type: FFS-PROMISE
- f. Certification statement: "I hereby certify that the information reported herein is true, accurate, and complete. I understand these reports are made in support of claims for government funds."

2. Approved Signature Authority:

Sign here: \_\_\_\_\_

3. Approved budget

- a. Line-Item expenditures for the period being invoiced
- b. Total Expenditures to date: \$ \_\_\_\_\_
- c. Remaining Balance of the Budget: \$ \_\_\_\_\_

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Each provider will receive an invoice cover letter pre-populated with the invoice number, contract number as well as fiscal data and the invoice type. Do not modify these fields as they are required to properly process the invoice.

Providers need to fill out: 1.a: MM\_YYYY on the invoice number, 1.f: invoice amount, 2. Approved Signature Authority and 3.b-c total expenditures to date and remaining balance of the budget.

## Invoices

In addition to the invoice cover letter, DSAMH will provide Excel invoice spreadsheets specific to the type of program or contract the invoice is being submitted under. For example:

Invoice spreadsheet A is an example of the Cost Reimbursement invoice and will include line items as listed in the budget.

Invoice spreadsheet B is an example of Fee for Service invoices and includes monthly charges per client.

<b>Name of Provider:</b>	<input type="text"/>
<b>Invoice Number:</b>	<input type="text"/>
<b>Month of Service</b>	<input type="text"/>

### Spreadsheet A

	Approved Budget	Jul	Aug	Sep	Oct	Nov	Dec	Jan
TOTAL SALARIES								
BENEFITS:								
PAYROLL TAX								
HEALTH BENEFITS								
OTHER FRINGE BENEFITS								
TOTAL BENEFITS								

<b>Name of Provider:</b>	<input type="text"/>
<b>Contract Number:</b>	Change names of to FY/provider/program type/location/type of contract
<b>Invoice Number:</b>	Contract Number/invoice date month/date/year
<b>Month</b>	6/1/2022
<b>Month</b>	June

### Spreadsheet B

	Consumer Name	MCI #	Medicaid (Y= Yes ) (N= No)	Admission Date	Discharge Date	Promise Tier Level (3, 4 or 5)	Procedure Code
0	John Doe		Y	5/20/2022	6/14/2022	3	T2033
1	John Doe		Y	5/22/2022	6/22/2022	4	T2033
2	John Doe		N	5/29/2022	7/1/2022	4	T2033
3	John Doe		N	6/1/2022	7/9/2022	4	T2033
4	John Doe		N	6/5/2022		5	T2033

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## Invoice Errors

Per provider contracts, payments will be issued to suppliers within 30 days of ingestion. In the event that an error is discovered the following actions may apply. If an entire invoice is rejected, the provider will need to correct and resubmit the invoice. In this case, the 30 days starts again upon ingestion of the corrected invoice.

- **All invoices** - Both the Invoice Cover Letter and the Invoice Spreadsheet **MUST** include the invoice number and matching invoice amounts and dates. If the invoice number is missing or the amount and dates do not match, the entire invoice will be rejected. When re-submitting an invoice, you must indicate that the invoice is a revised invoice by adding ‘\_REVISED’ to the filenames:  
*Example: FY24\_RI\_CAPAC\_NCC\_CR\_04\_2023\_CL\_REVISED*
- **IMDs, Residential and Group Homes** – DHSS will review these invoices at the time of submission. Any claim within the invoice that is found to be submitted in error will be rejected and the invoice will be short paid by that amount. Errors include - no prior authorization or incorrect prior authorization, incorrect billing codes/rates, payable by third party payors. When a claim is rejected, providers will be notified and receive a copy of the invoice. Providers can re-submit the invoice with corrected claims OR bill those claims to the appropriate payor (insurance or Medicaid). When resubmitting invoices, please use the original cover letter with the updated invoice amount and with ‘\_REVISED’ added to the filename. (use Revised2, Revised3, etc for subsequent submissions)
- **All other FFS invoices** - DHSS will follow the established error rate process for invoices. Once an error rate is established, the invoice will be paid minus the previously calculated error rate. If an invoice crosses quarters, the latest error rate will apply. If there are no invoices submitted during the error rate review period, the previous error rate rolls into the new period.

## Calculating the Error Rate

DHSS is initiating a new error rate process for all invoices. This process is meant to help simplify the invoice submissions by requiring less documentation and encouraging submission of whole, error free invoices and is as follows:

- (1) **Determine sample size:** Calculate the sample size (minimum of one invoice or 20%) and select invoices to review using a randomizer.
- (2) **Review Invoices** for errors and mark on the invoice. (OSEC Billing). Error examples:
  - Ineligibility (third party billing eligible)
  - No prior authorization, if applicable
  - Incomplete and/or incorrect invoice
  - Coding errors/incorrect billing rates (i.e., provider used the wrong billing code or rate)
  - Missing supporting documentation, if applicable
- (3) **Calculate the Error Rate** from claims submitted by each provider/service.

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**(4) Apply Error Rate** for coming quarter:

- Total Approved Amount divided by Total Invoice Amount = % Approved Amount,
- Error Rate = 1-% Approved Amount

Invoice Number	Invoice Received Date	Invoice Approved Amount	Total Invoice Amount
651897	1/4/2023	\$ 89,945.00	\$ 89,945.00
765465	1/28/2023	\$ 26,578.00	\$ 40,000.00
876546	2/27/2023	\$ 6,789.00	\$ 7,250.00
325465	3/15/2023	\$ 27,777.00	\$ 30,000.00
Total		\$ 151,089.00	\$ 167,195.00
% Approved		90.37%	
Error Rate		9.63%	

**EXAMPLE:**

Total Invoice Amount = \$120,000

Total Error Rate = 9.63%

Total Approved Invoice Amount = \$120,000\*0.9037 = \$108,444

**Exception:** For providers submitting invoices for group homes or residential services, rather than calculating the error rates based on invoiced claims, the invoices will be reviewed and the error rate will be determined by dividing the number of patients who were erroneously billed by the total number of patients on the invoice.

**Quarter Sample Size Selection criteria:**

Q1FY (July 1 start): January - March submitted invoices

Q2FY (October 1 start): April - June submitted invoices

Q3FY (January 1 start): July - September submitted invoices

Q4FY (April 1 start): October - December submitted invoices

While implementing the error rate process, the following elements will be considered:

Invoice Submission Dates	Elements Included in Calculation
Jan - July 2023	Medicaid and TPL Eligibility (TPL if applicable)
August 2023 forward	Medicaid and TPL Eligibility (TPL if applicable), Rates and Authorizations

Once an error rate is established, the invoice will be paid minus the previously calculated error rate. If an invoice crosses quarters, the latest error rate will apply. If there are no invoices submitted during the error rate review period, the previous error rate rolls into the new period.