

To: IHCP Providers Receiving the 835 Electronic Remittance Advice Transaction

The Indiana Health Coverage Programs (IHCP) has received questions from trading partners about comparisons between the remittance advice (RA) available on Web interChange and the 835 electronic transaction. The RA available on Web interChange reports only dollar amounts without balancing concerns. This dollar amount reflects prior payment information including spend-down, third party liability (TPL), and Medicare payments; or Medicare co-insurance or deductible as submitted with the original claim.

There are different methods of reporting adjustments in the CAS segments of the 835 transaction. Per the Data Overview Section of the 004010X091 – 835 – Health Care Claim Payment/Advice Transaction, Version 4010 Implementation Guide and the 4010A1 Addenda, Section 2.1.4 – Remittance, “The 835 must be balanced whenever remittance information is included in an 835 transaction.” Section 2.2.1 – Balancing, in the same section of the 835 implementation guide states “The amounts reported in the 835, if present, MUST balance at three different levels.” Because the guide does not address the issue of populating the 835 CAS segments, the decision was made to use the method described in the 4050 draft version of the 835 guide. Per this guide, the IHCP will only report for balancing purposes the amount of prior payment, spend-down, TPL, and Medicare payments, or Medicare co-insurance or deductible in the 835 transaction up to the amount that would have been paid for the service.

The intent of this approach is to minimize the risks of future changes with newer versions of the 835 transaction. There are no planned changes to the RA available on Web interChange or 835 transaction at this time. The following is an example of the IHCP 835 transaction adjustment information related to the balancing methodology identified in the 4050 draft version of the 835 guide.

Claim service level detail information that would be reflected in the RA available on Web interChange when the Medicaid “Paid Amount” is “Zero”.

Line	Medicare Status	Proc	Billed	Medicaid Potential Payment	Medicare Paid	Medicare Ded/Co-Ins/Psych
1	Paid	99213	\$50	\$18.50	\$20	\$4
2	Paid	99600	\$30	\$15	\$16	\$3.20
Total			\$80	\$33.50	\$36	\$7.20

CLP*5555501*1*80*0**MC*2004100016005*11
 CAS*CO*23*33.50 23: Paid by other payers.

Note: Other payer paid Amt is 33.50 not 36, adjust amt up to Medicaid allowed amt.

NM1*QC*1*LAST NAME*FIRST NAME****MR*222222222222
 NM1*82*2*PROVIDER NAME*****MC*333333333
 DTM*232*20040205
 DTM*233*20040205
 DTM*050*20040312
 SVC*HC:99213*50*18.50**1
 DTM*150*20040205
 DTM*151*20040205
 CAS*CO*A2*31.50 A2: Contractual Adjustment
 SVC*HC:99600*30*15**1
 DTM*150*20040205
 DTM*151*20040205
 CAS*CO*A2*15 A2: Contractual Adjustment