

# EDI Support Services

## ***Billing Medicare Secondary Payer (MSP) Electronically Using PC-ACE Pro32***

*For all Medicare Part B Trading Partners*

### *What is an MSP Claim?*

In some situations, another payer or insurer may pay on a patient's claim prior to Medicare. The first payer is determined by the patient's coverage. There are different conditions that determine if Medicare is the Primary (pays on the claim first), Secondary (pays on the claim second), or Tertiary (pays on the claim third). Conditions include age of the beneficiary, whether they have group plan coverage in addition to Medicare, the size of the group plan, Veteran status, or if the beneficiary has certain medical conditions.

Before an MSP claim can be submitted to Medicare, some information from the Primary payer's Remittance Advice is required to be sent in the claim:

- Approved (allowed) amount
- Deductible amount
- Co-Insurance amount
- Primary Paid amount
- Obligated to Accept as Payment in Full (OTAF) amount

#### **In this document:**

- [What is an MSP Claim?](#)
- [Why Submit MSP Claims Electronically?](#)
- [Locating Required Information for MSP Claims.](#)
- [Billing MSP Claims Using PC-ACE Pro32](#)
- [MSP Terminology](#)

**Please note:** The healthcare industry does not yet have a standard codes set used by all payers that indicate payment, patient responsibility, or miscellaneous coverage. Each payer uses special or proprietary codes to indicate who is responsible for what when it comes to the billing of a secondary payer. Since these are all for payer use only, EDI Support Services (EDISS) is not able to read or interpret other payers' remittances. They are only able to state what fields they need to process an MSP claim and not where this information would be located on the other payers' remittance advice. It is the responsibility of the provider to contact the primary payer to identify which data represents the required data. The paid amount entered in the Service Line Adjudication field plus the adjustments listed in the Line Level adjustment fields must equal the total amount billed for that service line.

## ***Billing Medicare Secondary Payer (MSP) Electronically Using PC-ACE Pro32***

### ***Why Submit MSP Claims Electronically?***

Medicare does not need a copy of the Primary payer's remittance. The information submitted on the claim is used for processing, and cross-referencing the remittance is not necessary. With some basic information, the MSP claim can process as Secondary insurer.

Another reason to submit MSP claims electronically is the Administrative Simplification Compliance Act (ASCA). The Centers for Medicare & Medicaid Services (CMS) began enforcement of ASCA July 5, 2005.

The ASCA requires Medicare providers, with limited exceptions, to submit all initial Medicare claims for reimbursement electronically. The ASCA states that no payments can be made for any expenses incurred for items or services submitted in a Medicare claim in a non-electronic format.

### ***Locating Requirement Information for MSP Claims***

There are a few pieces of information required to submit an MSP claim electronically. The healthcare industry does not have standard codes used by all payers to indicate payment, patient responsibility, or miscellaneous coverage, therefore each payer uses their own codes to indicate which payer is responsible for what coverage to bill the Secondary payer.

The use of non-standard codes limits EDISS' ability to read or interpret other payers' remittances. However, EDISS can assist in collecting the information required to process the MSP claim. This allows the provider to contact the Primary payer for assistance in identifying the data on the Primary payer's remittance.

### ***Billing MSP Claims Using PC-ACE Pro32***

If you use PC-ACE Pro32 to bill MSP, you only need to be aware of the fields in the software that are required to be completed. PC-ACE Pro32 creates a compliant ANSI X12 file to submit to EDISS electronically.

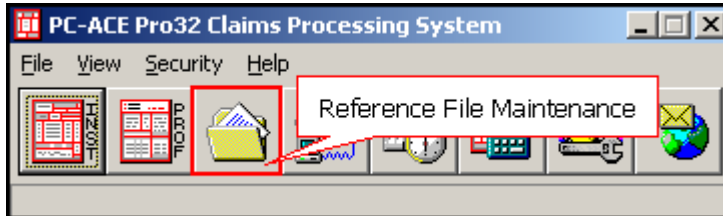
### ***Setting Up Trading Partner Information***

#### ***Submitter Set Up***

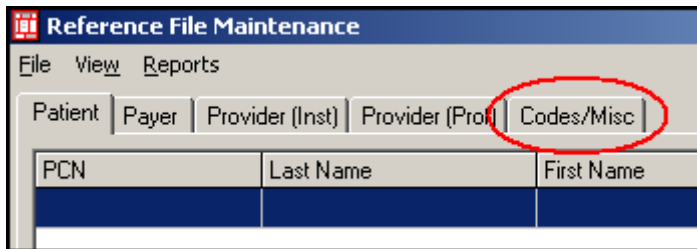
PC-ACE Pro32 must be updated with the submitter information assigned by EDISS. This information is faxed to the provider/billing office when EDISS set you up for testing. Complete the following steps to create a Submitter record.

1. Select Reference File Maintenance from the PC-ACE Pro32 main toolbar.

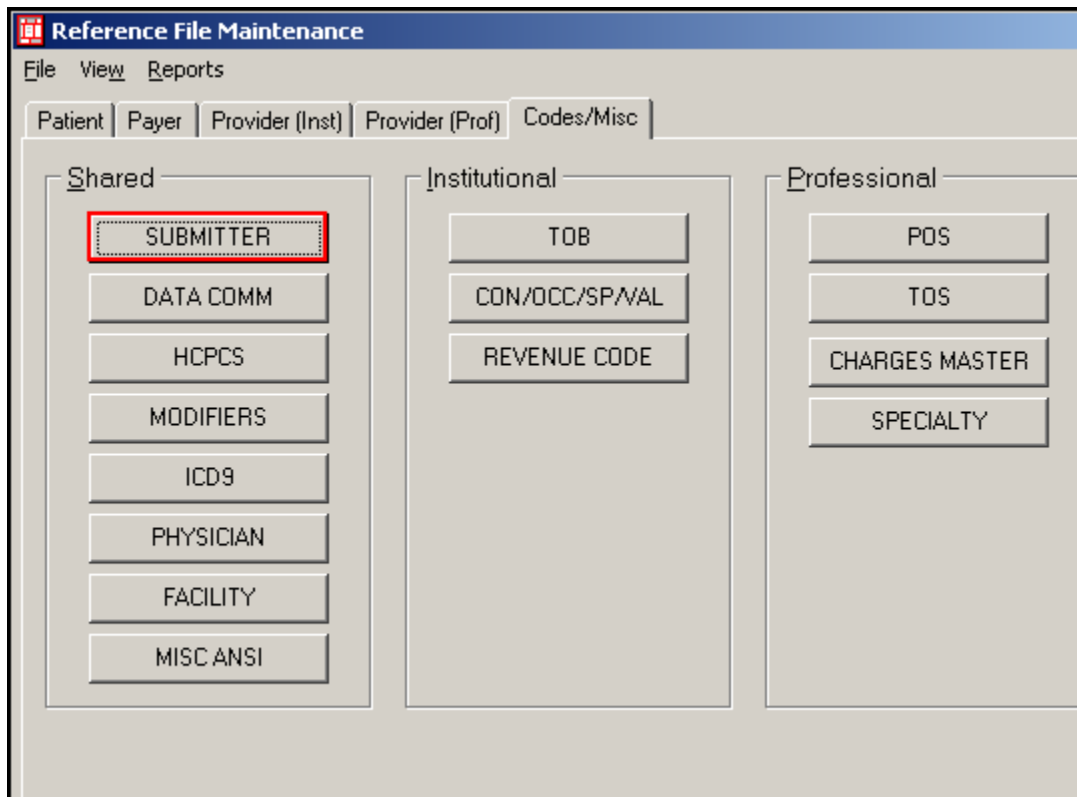
## Billing Medicare Secondary Payer (MSP) Electronically Using PC-ACE Pro32



2. Select the Codes/Misc tab.



3. Click on the Submitter button.



**Note:** PC-ACE Pro32 allows one Trading Partner ID (Submitter ID).

4. Click on the example Submitter ID to highlight it and click on the View/Update button.

## Billing Medicare Secondary Payer (MSP) Electronically Using PC-ACE Pro32

LOB	Payer ID	Submitter ID/EIN	Submitter Name
<< ALL >>	<< ALL >>	SUBMITTER ID	SUBMITTER NAME HERE

Buttons: New, View/Update, Copy, Delete, Close

5. Update all fields with information pertaining to your facility.

General | Prepare | ANSI Info | ANSI Info (2) | ANSI Info (4)

LOB: [ ] Payer ID: [ ]

ID: SUBMITTER ID EIN: [ ]

Name: SUBMITTER NAME HERE

Address: SUBMITTER ADDRESS

City: ANY TOWN State: ND Zip: 58103-\_\_\_

Phone: (701) 123-4567 Fax: [ ]-[ ]-\_\_\_ Country: [ ]

Contact: CONTACT NAME HERE Region: [ ]

Buttons: Save, Close

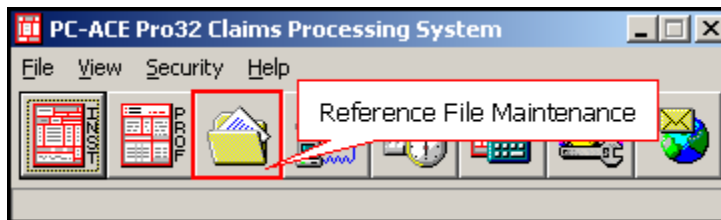
### Payer File Setup

A Payer record must be created for each insurance company/benefit patients have as Primary plans. Anytime insurance coverage other than Medicare Part B needs to be recorded, a Payer record must exist for the plan before entering

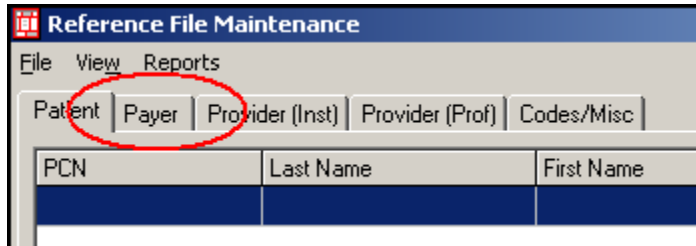
## Billing Medicare Secondary Payer (MSP) Electronically Using PC-ACE Pro32

patient data and claim information. Complete the following steps to create a Payer File record for a Primary or Secondary insurance plan/benefit.

1. Select Reference File Maintenance from the PC-ACE Pro32 main toolbar.

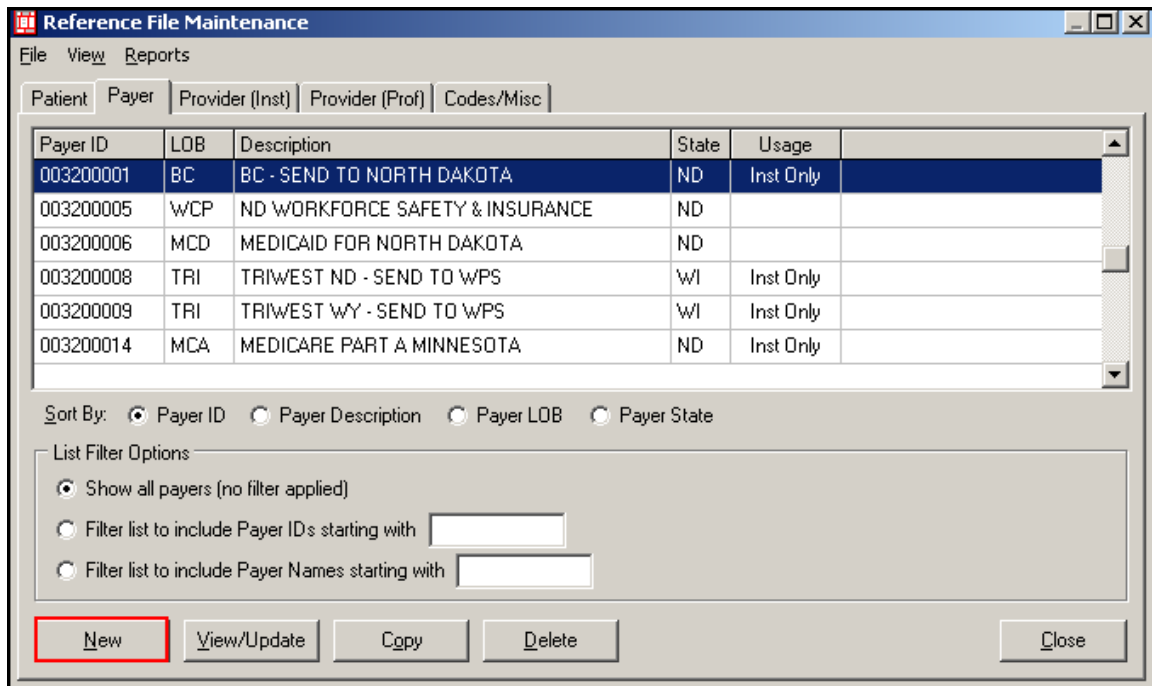


2. Select the Payer Tab.



**Note:** A list of Payer records already added to the file appears.

3. Click on the New button.



## ***Billing Medicare Secondary Payer (MSP) Electronically Using PC-ACE Pro32***

**Note:** A list of Payer records that have already been added to the file appears.

4. Complete the following fields on the Payer Information screen. All fields are required unless indicated otherwise.

A. Payer ID: Enter the Payer ID assigned to this Payer.

**Note:** If unable to locate the Payer ID, press <F1> for more information.

B. LOB: Right-click or press <F2> while the cursor is in the field to select a valid Line of Business value.

C. Full Description: Enter the Payer (Insurance Plan/Benefit) name.

D. Address/City/State/Zip: This information is not required, however, EDISS recommends completing the information if known.

E. Contact Name/Phone/Ext/Fax: Enter the information if known.

F. Source: Right-click or press <F2> to obtain a list of valid values. Select the most appropriate value for this payer.

G. Usage: Leave blank or enter B.

H. Click on the Save button.

## Billing Medicare Secondary Payer (MSP) Electronically Using PC-ACE Pro32

The screenshot shows the 'Payer Information' dialog box with the following fields and labels:

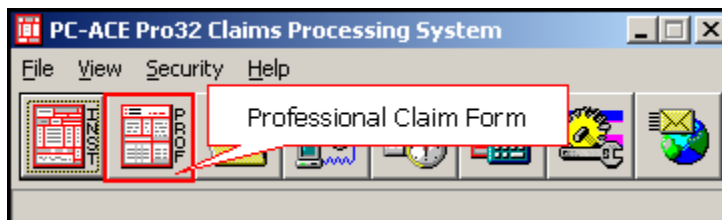
- Payer ID (A)
- LOB (B)
- Receiver ID (C)
- ISA08 Override
- Full Description (D)
- Address & Contact Information (D)
- Address (D)
- City
- State
- Zip
- Contact Name
- Phone
- Ext
- Fax (E)
- Flags (F)
- Source (F)
- Media (G)
- Usage (G)
- PrintLink Matching Descriptions
- Save (H)
- Cancel

**Note:** The validation feature in PC-ACE Pro32 determines if any fields need to be corrected. If errors exist, they must be fixed before the payer can be used. If changes need to be made to the payer record after entering the information, select the payer from the list and click on the View/Update button.

### Entering MSP Claim Data

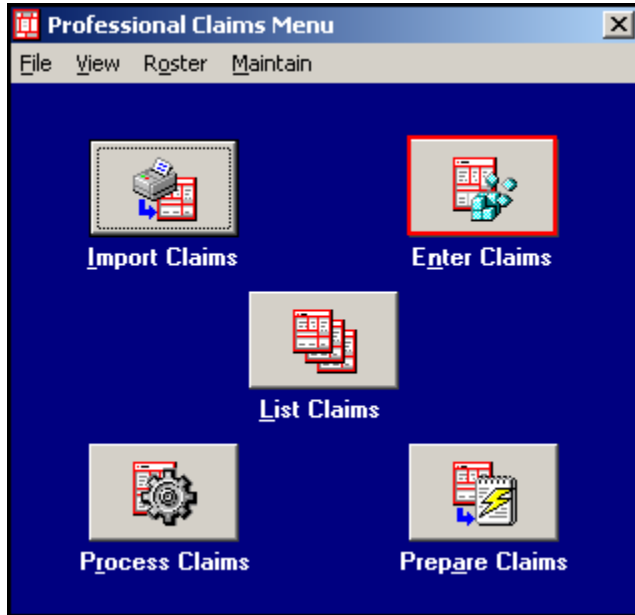
When patients insurance is Primary to Medicare, there is information that must be submitted on the MSP claim.

1. Select Professional Claims Processing from the PC-ACE Pro32 main toolbar.



2. Click on the Enter Claims button.

## Billing Medicare Secondary Payer (MSP) Electronically Using PC-ACE Pro32



3. On the Patient Info & General tab, enter a Y in the COB? field.

Professional Claim Form

Patient Info & General | Insured Information | Billing Line Items | Ext. Patient/General | Ext. Pat/Gen (2) | Ext. Payer/Insured

LOB  Billing Provider  26 - Patient Control No.

2 - Patient Last Name  First Name  MI  Gen  3 - Birthdate  Sex  8 - Pat. Status MS  ES  SS  Death Ind  12 - SOF  Legal Rep.  NPI Exempt

5 - Patient Address 1  Patient Address 2  Patient City  State  Patient Zip  Country  Patient Phone

10 - Patient Condition Related To Employment  Accident  ROI  ROI Date  Other Ins.  14 - Date/Ind of Current  15 - First Date  16 - UTW/Disability Dates & Type  to

17 - Referring Phys Name (Last/Org, First, Mid, Suffix)  Referring Phys ID/s/Types  18 - Hospitalization Dates  to  Y/N  20 - Outside Lab/Chgs  0.00

19 - Reserved For Local Use  22 - Medicaid Resubmission Code & Ref No

25 - Fed. Tax ID  SSN/EIN  27 - Provider Accepts Assignment?  PIN No.

31 - Provider SOF  Date  Facility?  Dental?  COB?  Y Frequency  33 - GRP No.

4. On the Insured Information tab, enter the Primary insurance information in the first line and the Medicare information in the second line.

## Billing Medicare Secondary Payer (MSP) Electronically Using PC-ACE Pro32

**Professional Claim Form**

Patient Info & General | **Insured Information** | Billing Line Items | Ext. Patient/General | Ext. Pat/Gen (2) | Ext. Payer/Insured

Sub	Payer ID	Primary insurance line	s ID	6 P.Rel	Insured's Last/Org Name	First Name	MI	Gen
<input type="checkbox"/>	999999999	SAMPLE PAYER	9999999991234	18	DOE	JOHN		
<input type="checkbox"/>	888888888	MEDICARE SAMPLE PAYER	8888888881234	18	DOE	JOHN		
<input type="checkbox"/>		Secondary insurance line						

Birthdate Sex Sig AUB Insured's Address 1 Insured's Address 2 Insured's City State Zip

Country Insured's Phone ESC Employer Name Group Name Group Number

Clear Payer

5. On the Extended Payer/Insured tab, select the Primary Payer/Insured tab.
  - A. Insurance Type: Right-click or select <F2> to obtain a list of valid Insurance Type code values. This value must be correct, if it is not the correct insurance type code for the patient's policy, the claim will be denied. Please contact the patient or the Primary insurance company for this information.

Patient Info & General | Insured Information | Billing Line Items | Ext. Patient/General | Ext. Pat/Gen (2) | **Ext. Payer/Insured**

**Primary Payer/Insured** | Secondary Payer/Insured | Tertiary Payer/Insured | COB Info (Primary) | COB Info (Secondary)

Miscellaneous Primary Payer / Insured Information

Payer Address

City/St/Zip

Payer Source

Insurance Type

Insured's Contact

Patient ID

Payer / Insured Reference IDs / Types

6. On the Extended Payer/Insured tab, select the COB Info (Primary) tab. Type the payment information from the primary payer's Explanation of

## Billing Medicare Secondary Payer (MSP) Electronically Using PC-ACE Pro32

Benefits for the charges on this entire claim in the appropriate fields. This means if you have billed multiple service lines you must supply the total billed for all of the service lines. All of the following fields listed are required.

- A. Zero Payment Ind: Enter Z if payment amount was zero. Enter N if payment amount was non-zero.
- B. Claim Adjudication Date: Enter the date the claim was adjudicated by the Primary payer.
- C. COB/MOA Amounts: Enter the total Allowed amount and the total Paid amounts for the entire claim. Right-click or select <F2> to select the correct code to denote these values.

The screenshot shows the 'Professional Claim Form' window with the following details:

- Tabs:** Patient Info & General, Insured Information, Billing Line Items, Ext. Patient/General, Ext. Pat/Gen (2), Ext. Payer/Insured (selected), Primary Payer/Insured, Secondary Payer/Insured, Tertiary Payer/Insured, COB Info (Primary) (selected), COB Info (Secondary).
- Common Payer MSP Information:**
  - OTAF: 0.00 (labeled A)
  - Zero Payment Ind:
- Additional Adjustment / COB Amounts / MOA Information (ANSI-837 Only):**
  - Claim Level Adjustments (CAS) Table:**

Num	Group	Reason	Amount	Units
1				
2				
3				
  - COB / MOA Amounts Table (labeled C):**

Num	Code	Amount
1		
2		
3		
  - Medicare Outpatient Adjudication (MOA) Remarks Codes:**

--	--	--	--
  - Claim Adjudication Date:** / / (labeled B)

### MSP/COB Tab

After entering the Billing Line Items, enter the line level MSP information for each line of service. This information is required.

1. Select the MSP/COB (Line 1) tab and complete the following fields.

**Note:** Ensure the line in parenthesis coordinates to the line information is being entered into. To do this, place the cursor on the detail line prior to selecting this tab.

- A. Approved: Enter the amount the Primary payer approved for this service. If the insurance Primary to Medicare does not show the

## ***Billing Medicare Secondary Payer (MSP) Electronically Using PC-ACE Pro32***

approved/allowed amount, calculate the difference between the billed and the non-covered amounts and enter that amount the Approved field.

- B. OTAF: If this is an OTAF claim, enter the dollar amount you are obligated to accept from the Primary insurance. This means if you are contracted or participating with the primary insurance and you are obligated to accept the eligible amount that becomes the OTAF amount.
- C. P/S: Enter P (for Primary).
- D. Proc: Right-click or select <F2> and select HC.
- E. Qual/Code: Enter the procedure describing the service to which this adjustment is applicable. This is typically duplicated from the original claim service line.
- F. Paid Amount: Type the amount paid by the Primary payer for this line of service only. Remember, an MSP/COB tab must be completed for each line of service the Billing Line Items tab.
- G. Paid Units: Enter the unit(s) that was/were paid for this service line.
- H. Adj/Payment Date: Enter the date this service line was adjudicated by the payer.
- I. Group: Right-click or select <F2> to activate the options. Select the code that identifies the general group/category of payment adjustment.
- J. Reason: Right-click or select <F2> to activate the options. Select the code that identifies the detailed reason the adjustment was made. For example, if the adjustment is due to the patient's deductible, choose PR for the Group code and choose 1 for the Reason code.

**Note:** If there are multiple line level adjustments on the claim such as coinsurance, a deductible amount, and provider discounts or write-offs they are all reported here.

- K. Amount: Enter the amount of the adjustment.
- L. Units: Enter the units of service being adjusted.

## Billing Medicare Secondary Payer (MSP) Electronically Using PC-ACE Pro32

The screenshot shows the 'Professional Claim Form' window with the 'Billing Line Items' tab selected. The 'MSP/COB (Line 1)' sub-tab is active. The form contains several input fields and tables. Red boxes labeled A through L point to specific fields: A (Common Line MSP Amounts), B (Approved), D (Additional Line Level Adjudication / COB Information), C (SVD Proc. Qual / Code), E (SVD Modifiers 1 thru 4), F (SVD Paid Amount), G (SVD Paid Units), J (Line Adjustments (CAS)), I (CAS Reason), K (CAS Amount), L (CAS Units), and H (Remaining Owed).

SVD	P/S	Proc. Qual / Code	Modifiers 1 thru 4	Paid Amount	Paid Units	B/U Line
1						
2						
3						

Num	Group	Reason	Amount	Units
1				
2				
3				

### MSP Terminology

A glossary of the common terms used throughout this document is included below to assist you in determining the amounts to enter into the PC-ACE Pro32 software.

**Allowed:** The maximum amount determined by the payer as being "allowable" for this service line under the provisions of the contract prior to the determination of actual payment.

**Approved:** The approved amount for this service line by the primary insurance.

**Coinsurance:** The percent of the insurance company's approved amount that the beneficiary has to pay after they pay the deductible for Part B. The coinsurance amount is generally a percentage of the approved amount for the service.

**Co-payment:** This is the amount paid for each medical service, such as a doctor's visit. A co-payment is usually a set dollar amount you pay for a service. An example of this would be a \$10 or \$20 payment for a doctor's visit.

**Deductible:** The amount you must pay for health care costs prior to the insurance company making a payment.

**Discount Amount:** The discount amount should be subtracted from the allowed amount as reported on the primary payer Explanation of Benefits (EOB) when submitting the claim to Medicare. This is only true if the discount is reported as an adjustment and the discount is not already subtracted from the allowed

## ***Billing Medicare Secondary Payer (MSP) Electronically Using PC-ACE Pro32***

amount on the primary payer EOB. Medicare should not calculate the Medicare payment based on amounts that need to be written off by the provider. If the discount amount is not subtracted from the allowed amount, Medicare is overpaying on claims.

**Explanation of Benefits (EOB):** A listing of what an insurance company has and has not paid on a claim and why.

**Insurance Type:** Medicare Secondary Payer (MSP) "Reason Code" used to identify the type of insurance policy. This value must be correct or your claim will deny.

**Medicare Secondary Payer:** Any situation where another payer or insurance pays medical bills before Medicare.

**Obligation to Accept Payment in Full (OTAF) –** The amount the provider agreed to accept as payment in full for this claim under the provisions of the contract.

**PC-ACE Pro32 –** EDI Support Services' free/low-cost billing software. Providers can use PC-ACE Pro32 to create and submit electronic MSP health care claims, view and print ERAs, and create status requests for health care claims and receive status responses.

**Primary Paid:** The actual amount paid by the payer for a service line under the provisions of the contract.

**Primary Payer -** An insurance policy, plan, or program that is first in line to pay on a claim for medical care.

**Provider:** A hospital, health care professional, or health care facility.

**Secondary Payer -** An insurance policy, plan, or program that is second in line to pay on a claim for medical care.