

Customer Support Alert May 30, 2007

Insurance Adjustment Code "42" is invalid as of June 1, 2007

This alert pertains to Alteer Office® users, v.5.1 and higher. After May 31, 2007, do not use insurance adjustment reason code 42 when allocating payments. Medicare's standard claim adjustment reason codes have been revised; the most commonly used code, 42 ["charges exceed our fee schedule or maximum allowable amount"], will not be accepted on claims after 5/31/07. Instead, use code 45 ["charges exceed fee schedule/maximum allowable or contracted/legislated fee arrangement" (use group codes PR or CO based on liability)]. The appearance of code 42 on a claim after May 31st will result in claim denial.

If your system shows code 42 as the default value in the Insurance Adjustment Table (in the Reason column) in payment allocation, after May 31st, when adding an insurance adjustment, type "45" (or other appropriate reason code) over "42" in the Insurance Adjustment table's Reason column.

If your system does not show a default value, after May 31st, in cases where you would normally use code "42," type "45" instead.

Note: The default value will be changed to "45" in a future version of Alteer Office. Until then, beginning on June 1st, to help you avoid rejections, the system will check outgoing claims for code 42 that you may have entered by mistake and replace it (on the backend) with "45."

About Insurance Adjustment Codes

Medicare claim adjustment reason codes (insurance adjustment codes) are used on the insurance carrier's explanation of benefits (EOB) to explain payment policies that affect reimbursement. They explain the reason a claim or service line was adjusted—that is, paid differently than it was billed. "Adjusted" means denied, penalty applied, or zero, partial, reduced, additional, or supplemental payment. HIPAA requires a standard adjustment reason code set for all providers and insurance carriers that replaces local claim adjustment codes. The Center for Medicare and Medicaid Services

(CMS) characterizes the codes as a “standard, non-medical code set,” and, as such, you cannot add your own insurance adjustment codes in Alteer Office. However, you can give them custom display names so they are easily recognized by your billing staff. For more information about working with adjustment codes in Billing Admin, refer to the Online Help (Index keyword search: transaction codes).

The Claim Adjustment & Status Code Maintenance Committee maintains the claim adjustment reason code set; meeting three times a year to consider revisions. You can submit revision requests directly to the committee. For more information and to see the code list, please visit: <http://www.wpc-edi.com/products/codelists/alertservice>.

Insurance adjustments are defined in the **Ins. Adj.** table, including applicable group and reason codes

Apply Insurance Payments [Medicare Secondary - Amount: \$300.00 - Applied: \$0.00 - Unallocated: \$300.00]

General

Public, John Q.
Fee Ticket: 156898.21(2) - 09/29/05 - Medicare Secondary - Medicare

Fee Ticket: [] Go Patient Name: Public, John Q. 156898.21(2) - 09/29/05 - Medicare Secondary - Medicare

Date	User	Description	Charges	Payments	Adj.	Balance	Status
00156898	09/29/2005	Bruce S Lachter... Colville T Willia... 11	\$426.61	\$107.00	\$220.00	\$99.61	
99205	09/29/2005	Ad... OFFICE/OP VISIT, NEW PT,... 005.2,005.3	\$300.00	\$102.00	\$120.00	\$78.00	Closed
	10/27/2005	Ad... Ins 1.1(1): Humana Primary					EDI-Perf
	10/27/2005	Ad... Ins 2.1(2): Medicare Secondary					
	09/29/2005	Ad... Contract Ad: EOB ECT 121070404 Medicare Review					

Copy: \$0.00 Not Paid EOB Amount Remaining: \$255.00 Amount Posted to Patient: \$45.00

Date	Code	Mod	Unit	Charge	Den	Allowed	Deduct	Co-Ins	Payment	Ins. Adj.	Misc. Adj.	Misc. Reason	Act	St	Prev \$	Balance
09/29/05	99205		1	\$300.00	N	\$300.00	\$0.00	\$0.00	\$45.00	\$15.00	\$0.00	<none>	P	2	\$222.00	\$33.00
09/29/05	99175		1	\$126.61	N	\$126.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	<none>	P	2	\$105.00	\$21.61

Totals \$0.00 \$0.00 \$45.00 \$15.00 \$0.00

-99205 - 1 \$300.00

Allowed: \$300.00 Deduct: \$0.00 Co-Ins: \$0.00 Payment: \$45.00 Ins. Adj: \$15.00

Misc. Adj: \$0.00 Reason: <none>

Debrid: <none> QTAF: <none>

Status: Secondary Ins Prev \$: \$222.00 Balance: \$33.00

Action: P - Patient

Group code Reason code

For assistance, please contact Alteer Customer Support. Tel: 949.790.0400, Mon-Fri., 6:00am-5:00pm, Pacific Time, e-mail: support@alteer.com.