What's new in Version 8060 X12 Implementation Guides

Reporting Card Payments in the 835 transaction

In addition to the HIPAA-mandated payment type, EFT via the ACH Network, another payment type that is available within the current EFT Standard Final Rule when agreed upon in advance by all trading partners is payment by card (most commonly single-use virtual credit card). Card payment details can now be reported in the 008060X322 Health Care Claim Payment/Advice (835), hereafter referred to as the '835 IG' (reflected in Table 1 – Header of the 835) so these payments can be automatically posted to the provider's accounts receivable system. Fees related to use of virtual cards are outside the scope of this paper.

What's New

- When payment is made via virtual card, the 835 transaction corresponding to the card payment must contain the information necessary to reassociate the 835 transaction to the card payment notification.
- BPR03 reflects the card product – Virtual Cards are indicated with a "D" qualifier.
- The BPR04 value must correlate to the type of card used. "CCC" indicates credit card, and is used for virtual card payments.
- BPR16 must reflect the date that funds are available for virtual card processing.
- TRN02 must include the virtual card number or card payment identifier. These values will be reflected on the card payment notification, which can be automatically reassociated to the 835 transaction when the card payment notification is received electronically, or manually when the notification is received in a paper format like a fax.
- Segments to report other card information like card expiration date and card CVC code are available in the 835 transaction but are not used for virtual card payments.
- The authors highly recommend reviewing the following front matter sections in the TR3.
  - 1.10.1.2.6 ERA with Payment by Card includes flow charts describing the process for card payments. Figure 1.8 is the most commonly utilized practice today.
  - 1.10.1.4 Card Payments in the 835, which provides a description of the types of card payments and how those payment types work
  - 1.10.1.4.1-PCI Compliance for Card Payment Information in the 835, which describes security standards related to card payments
  - 1.10.2.3 Reassociation of Dollars and Data, which describes the process for reassociating the payment received by card with the 835 transaction that includes the detail information for that payment.

How can this benefit you?

- Receiving card payment information in a HIPAA-compliant 835 transaction allows the provider to automatically update their accounts receivable system to reflect payments made by this payment type.
- Receiving the payment information in the 835 transaction rather than paper improves payer to provider automated communication

How can this impact you?

- Payer and Business Associates business processes
  - Update internal systems to create a HIPAA-compliant 835 transaction that includes payments made by card
  - Update database structure
  - Internal education e.g., EDI and help desk
  - External education to providers via companion guides or bulletins

- Practice Management System (PMS)
  - Update software to incorporate receiving the new payment type
  - Update remit viewer tool to report all information from this payment type
  - Internal education e.g., client facing staff
  - External education to customers

- Provider business processes
  - Update business processes to review automated posting of this payment type eliminates manual posting to the Accounts Receivable system when processing the payment by POS system (continue review of payment notifications and opt-in/opt-out preferences)
  - Review and update reports as needed
  - Internal education

- Clearinghouse
  - Update database structure
  - Update remit viewer tool to report new payment type
  - Internal education e.g., EDI and help desk

Refer to X12's 008060X322 Health Care Claim Payment/Advice (835) for additional information on reporting card payments in the 835 and "Electronic Payments: Guiding Principles" available in the knowledge center on www.wedi.org