



What's new in Version 8060 X12 Implementation Guides

Reporting Invalid Procedure Codes in the 835 transaction

Introduction

There are situations where invalid or unrecognized procedure information (procedure code and/or modifier) is submitted on the claim. Examples are paper claims, payers who are unable to reject electronic claims at the front end, and regulatory situations where procedure codes are mandated that are not part of the code list. In these situations, the preferred process would be to reject claims prior to the adjudication when there is invalid procedure information. The expectation is that the submitter would correct the data and resubmit the claim.

In situations where payers may not be able to reject the claim prior to adjudication (or where the code is required by regulation), the claim is allowed into the system. Some payers may be able to determine the correct procedure information for processing and can continue with adjudication. In this situation, the structure of the SVC segment includes reporting the original submitted procedure code along with the code used for adjudication. In the situation where the original submitted code is invalid, errors can occur when including this in the previous version of the 835 transaction. Similarly, if the correct procedure information cannot be determined and processing results in a denial of the claim, the original invalid procedure code must again be reported in the transaction, causing errors.

Invalid procedure codes can now be reported in the X12N 008060x322 Healthcare Claim Payment/Advice (835) transaction so these payments can be automatically posted to the provider's accounts receivable system.

What's New

When the original claim includes invalid procedure codes or modifiers, these are reported in the SVC segment as appropriate. A qualifier is used to indicate that an invalid procedure code or modifier is present, and that information should not be included in any validation that occurs.

- When the payer is able to identify the correct procedure code to use
 - The corrected information is reported in SVC01
 - The originally reported (invalid) procedure code information is reported in SVC06
 - Qualifier "RA" is included in SVC06-01
 - The original (invalid) procedure code information is reported in SVC06-02
 - When qualifier "RA" is used, that is an indicator to not validate the information reported in the SVC06 element
- When the payer is unable to identify the correct procedure code to use
 - The originally reported (invalid) procedure code information is reported in SVC01
 - Qualifier "RA" is included in SVC01-01
 - The original (invalid) procedure code information is reported in SVC01-02
 - When qualifier "RA" is used, that is an indicator to not validate the information reported in the SVC01 element

1.10.2.14.1 Reporting Invalid or Unrecognized Procedure Information (SVC01 / SVC06) in the 835 transaction – this new front matter section provides detailed instruction for reporting invalid procedure codes or modifiers.

How can this benefit you?

- Providers can now see exactly which procedure code/modifier was originally submitted that negatively impacted the adjudication
- Fewer errors should occur during auto-posting due to these invalid codes, so auto-posting rates should improve
- Improved payer to provider automated communication
- Reduce phone calls
- Incentivize 835 transaction adoption

How can this impact you?

- Payer and Business Associates business processes
- Update system to report the new Product or Service ID qualifier in situations where invalid procedures codes or modifiers are submitted along with the original procedure code submitted
- 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 qualifier and invalid procedure code information
- Update remit viewer tool to report all information including invalid procedure code information and qualifier reflecting that the code is invalid
- Internal education e.g., client facing staff
- External education to customers

Provider business processes

- Update business processes to review invalid procedure codes and resubmit claims as needed
- Review and update reports as needed
- Internal education

Clearinghouse

- Update system to allow files that include the new Product or Service ID qualifier in situations where invalid procedure codes or modifiers are submitted along with the original procedure code/modifier submitted
- Update database structure
- Update remit viewer tool to report all information including invalid procedure code information and qualifier reflecting that the code is invalid
- Internal education e.g., EDI and help desk

Validation tools / vendors

- Update system to allow files that include the new Product or Service ID qualifier in situations where invalid procedure codes or modifiers are submitted along with the original procedure code/modifier submitted
- When the new qualifier is present, suppress validation of the related procedure code/modifier
- Update database structure
- Internal education e.g., EDI and help desk

Refer to X12N 008060X322 Health Care Claim Payment/Advice (835) for additional information on reporting invalid procedure codes in the 835 transaction.