What's new in Version 8060 X12 Implementation Guides

Secondary/Tertiary Payment Reporting in the 835 transaction

In the case where a patient is covered by more than one healthcare plan, each payer has a methodology to determine the payment after prior payer(s) has adjudicated the claim. That methodology involves using the payment and adjustments from the prior payer(s) to calculate the allowed amount and any additional payment.

The 008060X322 Health Care Claim Payment/Advice (835), hereafter referred to as the '835 IG', has expanded the section to provide additional explanation on how to report the claim/service level allowed amount, payment and adjustments on the 835 transaction along with examples of various methodologies.

What's New

- Section 1.10.2.13 has an updated title: Subsequent (Secondary/Tertiary) Payment Reporting Considerations
  A more detailed explanation of the process to report the allowed amount and adjustments in subsequent claim payments, ensuring no duplication of adjustments already taken by the prior payer(s)
- Additional information related to Claim Adjustment Reason Code 23 and reporting the adjustment amount of the prior payer(s) in the RAS Segment
- Addition of key scenarios to identify how the process can be applied and the impact to the 835 reporting

How can this benefit you?

- Subsequent payers can generate more accurate COB adjudication information with the appropriate adjustments, payment and allowed amount
- Fewer errors should occur during auto-posting due to incorrectly reported adjustments
- Reduce manual posting of COB payments and adjustments
- Reduced errors on patient statements
- Improved payer to provider automated communication
- Reduce phone calls
- Incentivize 835 adoption

How can this impact you?

Payer and Business Associates business processes

- Update system to accurately report prior payer(s) adjustments, payment and allowed amount
- Internal education e.g., EDI and help desk

Practice Management System (PMS)

- Internal education e.g., client facing staff
- External education to customers

Provider business processes

- Review posting process for COB payments and adjustments
- Review and update reports as needed
- Internal education

Refer to X12's 008060X322 Health Care Claim Payment/Advice (835) for additional information on Secondary/Tertiary Payment Reporting Considerations.