

## **Billing of Provider-Initiated Claims to the IHCP with Third Party Liability (TPL) Coverage**

### ***How to Bill for Services Submitting the 837 COB Transaction to the IHCP for Members with TPL Model 1 (Provider-to-Payer-to-Provider)***

The 837 transaction addresses two separate models of coordinating benefits with another payer. The following information is from the 837 implementation guide front matter.

In model 1, the provider originates the 837 transaction and sends the claim information to the primary payer (private insurance). The subscriber loop (loop ID-2000B) contains information about the person who holds the policy with the primary payer. Loop ID-2320 contains information about the secondary payer (for example, EDS) and the subscriber who holds the policy with the secondary payer (for example, the IHCP member). In this model, the primary payer adjudicates the claim and sends an electronic RA transaction (835) to the provider. The 835 transaction contains the claim ARCs that apply to that specific claim and the primary payer's payment to the provider. The claim ARCs detail what was adjusted and why.

Upon receipt of the 835 transaction, the provider sends a second health care claim transaction (837) to the secondary payer (for example, EDS). The subscriber loop (loop-2000B) now contains information about the subscriber who holds the policy from the secondary payer (for example, the IHCP member information). The subscriber information for the primary payer is now placed in loop ID-2320. Any claim level adjustments codes are retrieved from the 835 transaction from the primary payer and placed in the CAS (claims adjustment) segments in loop ID-2320. Claim level payments made by the prior payers are retrieved from the primary payer's 835 transaction and submitted to the COB payer paid amount (AMT segment) in loop ID-2320. Line level ARCs are retrieved in the same manner from the 835 transaction and are placed in the CAS segment in the 2430 loop. Line level payments made by the primary payer are retrieved from the 835 transaction and submitted in the SVD segment (SVD02 – service line paid amount). The secondary payer adjudicates the claim and sends the provider an electronic RA.

### ***Example 1 – How to bill the IHCP with Correct Identifiers so the Claim is Recognized as a TPL Claim***

The IHCP occasionally receives TPL claims (837 COB) that do not follow IHCP companion guide instructions. As is the case with the 837 COB model 1 transaction, the prior payer payments may be submitted at the claim or the service line level of the claim; however, the IHCP only accepts TPL information at the claim level. As the IHCP is continuously enhancing the front-end process of the 837 transaction, in the future the TPL may be submitted at either the claim level or the service line level. Timely notification will be provided to all IHCP providers and vendors for this enhancement. At this time, the IHCP identifies a claim with a TPL prior payment based on information received in the 2320/2330 loops of the 837 transaction. In the SBR segment (other subscriber information) of loop ID-2320, SBR09 (claim filing indicator code) is required before mandated use of the plan ID. When submitting a claim with TPL to the IHCP, the SBR09 (claim filing indicator code) must contain a value from the internal code set other than MB or MA (reserved for Medicare). Failure to comply with this rule results in claim rejection in the BSR with error 295.

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2300 - Bill amount \$120

SBR\*P\*18\*405363499A\*\*MP\*\*\*ZZ

2320 - SBR09=ZZ (Primary Payer is a non-Medicare payer)

AMT\*D\*100~

2320 - Amount paid by the payer in the 2330B (will be calculated into the TPL)

***Example 2 (837P) - Medicaid Claim with TPL in 837P Format***

When submitting an 837P transaction with TPL, the prior payer paid amount must be provided at the claim level (loop 2320). The COB prior payer payment amount (AMT with D qualifier) in loop 2320 must be used to submit the TPL amount (see example 1).

***Example 3 (837I) - Medicaid Claim with TPL in 837I Format***

When submitting an 837I transaction with TPL, the prior payer payment amount must be provided at the claim level (loop 2320). The COB prior payer payment (AMT with qualifier C4, prior payment – actual) in loop ID-2320 must be used to provide the TPL amount. The COB Medicare paid amount (AMT with qualifier N1, net worth) in loop 2320 must be used only to provide the Medicare payment amount.

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2300 - Billed amount \$120

SBR\*P\*18\*405363499A\*\*MP\*\*\*ZZ~

2320 - SBR09=ZZ (Primary Payer is a non-Medicare payer)

AMT\*C4\*100~

2320 - Amount paid by the payer in the 2330A (will be calculated into the TPL)