Commonwealth of Massachusetts
Executive Office of Health and Human Services
Division of Medical Assistance
600 Washington Street
Boston, MA 02111
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MassHealth
Home Health Agency Bulletin 41
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TO: Home Health Agencies Participating in MassHealth

FROM: Beth Waldman, Acting Commissioner Beth Waldman

RE: **Electronic Claim Submissions for Members with Medicare and Commercial Insurance**

Background

This bulletin transmits billing instructions for submitting an 837I transaction for members who have Medicare and/or commercial insurance but whose services were deemed by the provider to be noncovered. The implementation of the Health Insurance Portability and Accountability Act (HIPAA) of 1996 allows all coordination-of-benefits claims to be submitted electronically on the 837 transaction. The information in this bulletin contains specific MassHealth billing guidelines, which are not described in the HIPAA Implementation Guide for the 837I transaction.

This bulletin does not supersede the billing instructions and regulations in Transmittal Letter HHA-33, dated June 2002, and Home Health Agency Bulletin 26, dated September 1995. Rather, it merely provides a means to bill for these services electronically on the 837I transaction.

Patient Status Code

The MassHealth proprietary electronic format (EMC) and the medical services claim form (no. 9) contain a patient status field, which is used by home health providers to indicate that the provider has deemed the services to be noncovered by Medicare and/or commercial insurance. The patient status field in the 837I transaction cannot be used for this purpose. Therefore, providers must use the condition codes listed in this bulletin in lieu of patient status codes.

Medicare and Commercial Insurance

The provider must populate the 837I transaction with the appropriate condition code listed in this bulletin in lieu of using the patient status codes. **The provider must also populate the other payer loops** (2320 and 2330) in the transaction with the other insurance information and the appropriate MassHealth-assigned carrier code for that insurance in 2330B-NM109 (Other Payer Name – Other Payer Primary identifier), even though the service has not been billed to the insurer. For Medicare, enter the carrier code value of 084. Do not enter any insurance payments, coinsurance, or deductible in the other payer loops (2320 and 2330) in the transaction.

(Note: The MassHealth-assigned carrier codes are available in Appendix C of all provider manuals or at www.state.ma.us/dma/providers/supp_info/supp-info_IDX.htm. Additional carrier code transaction details are described in the MassHealth Companion Guide (www.mahealthweb.com/HIPAA_Testing.htm).

Providers must bill Medicare and/or the commercial insurer if and when benefits become available (such as at the beginning of a new calendar year, new benefit period, or change in a member's medical condition that could result in benefit coverage) and discontinue using the condition code.

Condition Codes

The following condition codes may be used to indicate the reason the insurer is not covering the service. The Division will allow providers to use condition codes to override Medicare and/or commercial insurance coverage only in the following circumstances and in accordance with the regulations outlined in Transmittal Letter HHA-33, dated June 2002, and Home Health Agency Bulletin 26, dated September 1995.

Patient Status Code	Condition Code	Condition Code Description	Allowed for Medicare?	Allowed for Commercial Insurance?
01	Y0	Benefits exhausted for the calendar year	No	Yes
02	Y1	Benefit maximum has been reached	Yes	Yes
03	Y2	Insurer denied stating custodial in nature	No	Yes
04	Y3	Insurer denied stating not medically necessary	No	Yes
05	Y4	Service not a covered benefit	Yes	Yes
06	Y5	Insurer denied stating not homebound	Yes	Yes
07	Y6	Insurer denied for other reason as stated on the EOB	No	Yes
08	Y7	Service is not part-time or intermittent	Yes	No

Monitoring

Providers **must** retain a copy of the insurance explanation of benefits, remittance advice, and/or the advanced beneficiary notification (ABN) in the member's file. The Division may request insurance billing records for auditing purposes to ensure that, among other things, providers are using the condition codes appropriately.

Questions

If you have any questions about the information in this bulletin, please contact MassHealth Provider Services at 617-628-4141 or 1-800-325-5231.