Commonwealth of Massachusetts
Executive Office of Health and Human Services
Division of Medical Assistance
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Boston, MA 02111
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MassHealth
Psychiatric Inpatient Hospital Bulletin 21
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TO: Psychiatric Inpatient Hospital 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 837I transactions for members whose Medicare and/or commercial insurance benefits are noncovered or exhausted. 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.

Providers should continue to follow the billing instructions in Transmittal Letter PIH-12, dated June 1999, for paper-claim submissions.

Medicare Claims

Inpatient hospital claims for dually eligible members must be billed to Medicare unless Medicare has indicated that benefits are not available. Once Medicare indicates that the member does not have benefits available, providers may submit an 837I transaction for the noncovered services to MassHealth. The provider must populate the transaction with one of the condition codes listed in this bulletin to describe the reason for noncoverage. Subsequent services may be billed using the condition codes in lieu of billing Medicare as long as benefits are not available.

Providers must continue to bill Medicare for all Part B ancillary services and physician services associated with the inpatient stay before billing MassHealth for the noncovered Part A services. Once Medicare approves the Part B charges, the provider may bill the Part A noncovered/exhausted charges to MassHealth. Any MassHealth payment of the Medicare Part B crossover claims will continue to be processed automatically as a Part B crossover submitted to MassHealth by the Medicare intermediary.

Medicare Claims (cont.)

- Private psychiatric inpatient facilities must populate the sum of the Medicare Part B payment(s) plus the coinsurance and deductible amount(s), as stated in Transmittal Letter PIH-12, in the Payer Prior Payment field in the Other Subscriber information loop (2320-AMT02 where 2320 - AMT01 = C4) of the 837I transaction.

- State psychiatric inpatient facilities must remove the Part B revenue codes from the 837I transaction when billing for noncovered Medicare services due to the Division's payment methodology.

In these circumstances, **the provider must also populate the other payer loops** (2320 and 2330) in the transaction with Medicare's information and the value of 084 as the MassHealth-assigned carrier code for Medicare in 2330B-NM109 (Other Payer Name – Other Payer Primary identifier). Do not populate any insurance payments, coinsurance, or deductible in any of the fields (2320 and 2330 loops) in the transaction. Payment amounts indicated in the transaction for Medicare Part B charges would be an exception to this rule and should be populated as described above.

Providers must bill Medicare if and when benefits become available (such as at the beginning of a new benefit period) and discontinue using the condition codes.

Commercial Insurance

Inpatient hospital claims for members with commercial insurance must be billed to the insurer for payment prior to billing MassHealth. Once the insurer indicates that the member does not have benefits available, providers may submit an 837I transaction for the noncovered services to MassHealth in accordance with any service limitations contained in 130 CMR 425.000. The provider must populate the transaction with one of the condition codes listed in this bulletin to describe the reason for noncoverage. Subsequent services may be billed using the condition codes in lieu of billing the insurer as long as benefits are not available from the commercial insurer.

In these circumstances, the **provider must populate the other payer loops** (2320 and 2330) in the transaction with the insurance information and the appropriate MassHealth-assigned carrier code for that insurance in 2330B-NM109 (Other Payer Name – Other Payer Primary identifier). Do not populate any insurance payments, coinsurance, or deductible in the other payer loops (2320 and 2330) in the transaction.

Commercial Insurance (cont.)

(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 the insurer when benefits become available (that is, the beginning of a new calendar year or new benefit period) and discontinue using the condition codes.

Condition Codes

The following condition codes may be used to indicate the reason that 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.

Condition Codes	Condition Code Description	Allowed for Medicare?	Allowed for Commercial Insurance?
Y0	Benefits exhausted for the calendar year	No	Yes
Y1	Benefit maximum has been reached	Yes	Yes
Y8	Services do not meet skilled level of care	No	Yes
Y9	Patient does not have Medicare benefits available or does not qualify for a new benefit period	Yes	No

Monitoring

Providers **must** retain a copy of the insurance explanation of benefits, remittance advice, and/or the Medicare notice of noncoverage in the member's file. The Division may request insurance billing records for auditing purposes to ensure that, among 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.