Encounter Reporting
ANSI ASC X12 837 v.4010A1
Requirement for Reporting Financial Data

Michigan Department of Community Health

November 28, 2006

Analysis

- Dates of Service 6/1/06 – 6/3/06
- Includes Institutional (Inpatient & Outpatient Services) and Professional Services
- Includes Capitated payment arrangement and Non-Capitated payment arrangement Services

MDCH Expectations
Charge Field(s)

- Field should not be blank or null.
- Expect a value greater than “0”, unless the procedure code is included in the list of “Vaccines for Children” procedures.

MDCH Expectations
Paid Field(s)

- Field should not be blank or null.
- If the amount in the charge field and the paid field is not equal, an adjustment reason code(s) and adjustment amount(s) must be included in the CAS segment that explains why the Charge and Paid amount is not equal.

MDCH Expectations
Paid Field(s) cont.

- Services delivered under a capitated arrangement may have a “0” in the paid field, and should have an accompanying adjustment reason code and amount.
- If the adjustment reason code indicates a “capitated” arrangement, this relationship should be reflected in the Contract Information segment(s) (Loop 2300, Loop 2400).

MDCH Expectations
Allowed Amount

- Field should not be blank or null
- Contractual amount before member liability or fee adjustments
- Institutional and Professional Claim Level

MDCH Expectations
Approved Amount

- Total paid after member liability or withhold.
- Professional Claim and Line Level.
- Not reported in the Institutional transaction

MDCH Expectations Adjustment Code

- Expect to utilize information submitted at line level, as opposed to claim level.
- Standardized code set
- At least one adjustment reason code should be present if the Paid Amount does not equal the Charge Amount. (Example – “24” – Charges covered under a capitation arrangement.)
- There may be more than one adjustment reason code per line.

Contract Information Segment

- Signifies if the service was covered under a “capitated” contract arrangement or a “non-capitated” contract arrangement.
- Value of “05” equals “capitated”.
- Value other than “05” or a non-existing segment indicates a “non-capitated” arrangement.

Contract Information Segment cont.

- Reported at the claim level of the Institutional and Professional transaction, and at the line level of the Professional transaction.
- If a “capitated” arrangement is submitted, this should match the provider’s status as reflected in the Health Plan Provider Network file (4275).

MDCH Expectations
Adjustment Amount

- Expect to utilize information submitted at line level, as opposed to the claim level.
- Linked to Adjustment Reason Code
- At least one adjustment amount should be present if the Paid Amount does not equal the Charge Amount.
- There may be more than one adjustment amount per line.