Provider Relations

Michigan Department of Health & Human Services

A8 Outpatient Hospital Claim Denials

Guidelines to determine why an Outpatient Hospital (OPH) claim denied with Claim Adjustment Reason Code = A8

Policy: Michigan Medicaid Provider Manual Chapters Billing & Reimbursement for Institutional Providers and Hospital

All OPH claims are grouped and priced using software similar to the Medicare Outpatient Code Editor (OCE) which functions to identify billing errors and to assign the Ambulatory Payment Classifications (APC). This software along with CHAMPS is updated on a quarterly basis. Providers are reminded that services billed during the 1st quarter of every calendar year may increase the amount of claim denials due to new procedure codes and new modifier updates by the CMS. Once software is updated, all affected claims are reprocessed by MDHHS.

Majority of claims that deny with Claim Adjustment Reason Code (CARC) **A8** are due to the code(s) not yet added to CHAMPS. These updates normally happen quarterly. Claims can also deny with a CARC **A8** due to the code containing an error that has made the entire claim to deny, although the fault may point to an error due to incorrect completion of a service line.

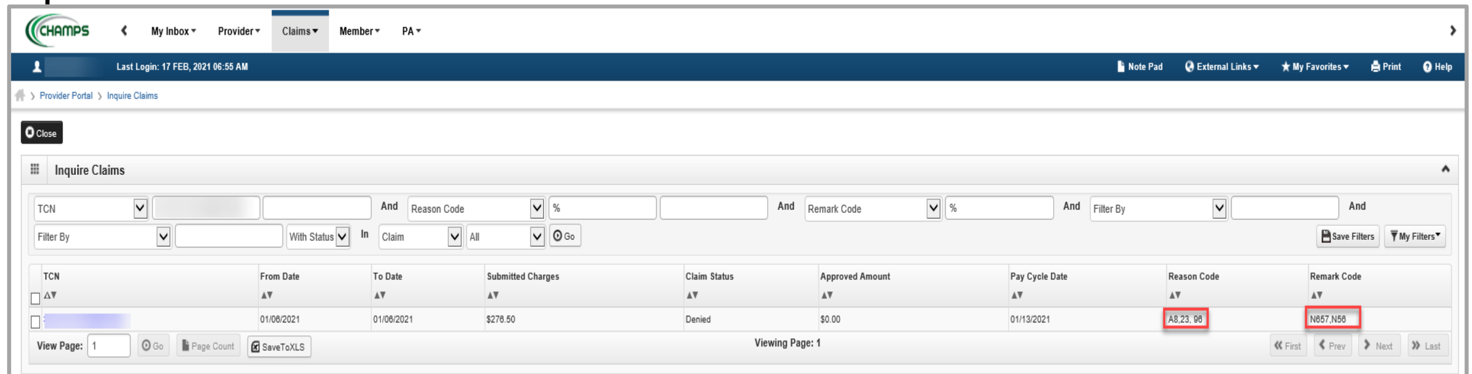
Please review the Remittance Advice and/or inquire claims to pull the reason and remark codes assigned to the claims, along with the information below to determine the claim line rejections.

Remittance Advice: Line denial rejections

Billing Provider NPI/ID: 0123456789 **Name:** MDHHS Health System **EIN/TIN:** 123456789 **Pay Cycle:** 1 **RA Number:** 12345678 **RA Date:** 01/01/2021

Gross Adj ID Beneficiary Name Beneficiary ID Patient Account #	Original TCN TCN Type of Bill	Submitter ID Rendering Provider NPI/ID	Invoice Date Service Date(s)	Revenue Procedure Modifier	PPS DRG APC	Qty	Billed Amount	Approved Amount	Category	Reason	Remark
Smith, John 0123456789	312100000000000000 13	00AA	12/31/2020 01/01/2021-01/01/2021				$5,075.01	$0.00	D		N657
	312100000000000001		01/01/2021-01/01/2021	0250	00000	20	$75.00	$0.00	D	A8	
	312100000000000002		01/01/2021-01/01/2021	77777	00000	1	$5,000.00	$0.00	D	A8	N56
	312100000000000003		01/01/2021-01/01/2021	G1004	00000	1	$0.01	$0.00	D	A8	N56

Inquire Claims:



Denial Description	Claim Adjustment Reason Code (CARC)	Remittance Advice Remark Code (RARC)	Resources & Links
Invalid Modifier	**97** - *The benefit for this service is included in the payment/allowance for another service/procedure that has already been* **adjudicated.**	**M80** - *Not covered when performed during the same session/date as a previously processed service for the patient.*	• a-00-40.PDF (cms.gov) • PTP Coding Edits | CMS
Procedure Code & or Revenue Code not valid for patients age	**6** - *The procedure/revenue code is inconsistent with the patient's age.*	**N129** - *Not eligible due to the patient's age.*	**Medicaid Code and Rate Reference** Tool https://www.michigan.gov/documents/mdhhs/Professional-Medicaid_Code_Rate_Ref_3-17-16_659511_7.pdf
Gender to Procedure Code is not valid	**7**- *The procedure/revenue code is inconsistent with the patient's gender.*	**N517** - *Resubmit a new claim with the requested information.*	**Medicaid Code and Rate Reference** Tool https://www.michigan.gov/documents/mdhhs/Professional-Medicaid_Code_Rate_Ref_3-17-16_659511_7.pdf
Beneficiary age not valid for diagnosis code	**9** - *The diagnosis is inconsistent with the patient's age.*	**N657** - *This should be billed with the appropriate code for these services.*	**Medicaid Code and Rate Reference** Tool https://www.michigan.gov/documents/mdhhs/Professional-Medicaid_Code_Rate_Ref_3-17-16_659511_7.pdf
Invalid relationship of quantity (MUE)	**16** - *Claim/service lacks information or has submission/billing error(s).*	**N345** - *Date range not valid with units submitted.*	https://www.cms.gov/Medicare/Coding/NationalCorrectCodInitEd/MUE
Invalid Revenue Code	**16** - *Claim/service lacks information or has submission/billing error(s).*	**M50** - *Missing/incomplete/invalid revenue code(s).*	Revenue Code Requirements (Medicaid) (michigan.gov)
Missing Procedure Code	**16** - *Claim/service lacks information or has submission/billing error(s).*	**M51** - *Missing/incomplete/invalid procedure code(s).*	**Tip:** Revenue code reported without the required CPT / HCPC.
Procedure or revenue code not covered on date of service or nationally on DOS	**96** - *Non-covered charge(s). At least one Remark Code must be provided.* **16** - *Claim/service lacks information or has submission/billing error(s).*	**N56** - *Procedure code billed is not correct/valid for the services billed or the date of service billed.*	• https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates • Microsoft Word - CMS-1501-FC Addendum D1 Signature Package.doc • https://www.michigan.gov/documents/mdhhs/Insti_Billing_Tip-Self_Administered_Drugs_02-15-2017_552180_7.pdf **OPPS Wrap Around Code List** https://www.michigan.gov/mdhhs/0,5885,7-339-71551_2945_42542_42543_42546_42551-151012--,00.html

Denial Description	Claim Adjustment Reason Code (CARC)	Remittance Advice Remark Code (RARC)	Resources & Links
Invalid Procedure Code	**181**- *Procedure code was invalid on the date of service.*	**M20** - *Missing / incomplete / invalid HCPCS*	• https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates • Microsoft Word - CMS-1501-FC Addendum D1 Signature Package.doc
Diagnosis not active on date of service	**146** - *Diagnosis was invalid for the date(s) of service* reported.	**M76 -** *Missing/incomplete/invalid diagnosis or condition.*	**Tip:** If the diagnosis code is new, please remember MI Medicaid is always a quarter behind. System updates will be posted on MDHHS Alerts / Update https://www.michigan.gov/mdhhs/0,5885,7-339-71547_4860_78446_78448_78458_88101_88102---Y,00.html

Additional Resources

- Paper RA Explanation: https://www.michigan.gov/documents/mdch/RA_292526_7.pdf
- Claims, Pricers, & Codes: https://www.cms.gov/outreach-and-educationoutreachffsprovpartprogprovider-partnership-email-archive/2021-02-11-mlnc
- Washington Publishing Company: https://x12.org/codes
- CHAMPS Claim Inquiry: https://www.michigan.gov/documents/mdch/2012claimstatusquickreference_373078_7.pdf
- Common Claim Denials: https://www.michigan.gov/documents/mdhhs/Insti_Hospital_Billing_Tip_Top_Rejections_09_21_2017_601848_7.pdf
- Provider Training Webpage: https://www.michigan.gov/mdhhs/0,5885,7-339-71551_2945_5100-127606--,00.html
- 1-on-1 Appointment Request: https://www.surveymonkey.com/r/XX372N5
- Enhanced 340B Reporting Requirements: https://www.michigan.gov/documents/mdhhs/MSA_17-07_553029_7.pdf

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