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 is updated on a quarterly basis. Claims that are rejected with Claim Adjustment Reason (CARC) code A8 contain an error that has made the entire claim reject although the fault may point to an error due to incorrect completion of a service line. Please review the remittance advice to determine the service line item rejections that may have caused the entire claim to be denied.

Service Line Rejections that may cause the entire claim to reject with CARC = A8

Denial Description	Claim Adjustment Reason Code	Remittance Remark Reason Code
Invalid **Modifier**	4	N519
Procedure Code &or Revenue Code not valid for patients **age**	6	N129
Gender to Procedure Code is not valid	7	N517
Beneficiary age not valid for **diagnosis** code	9	N657
Invalid relationship of **quantity** (MUE)	16	N345
Invalid **Revenue** Code	16	M50
Missing **Procedure Code**	16	M51
Procedure or revenue code not covered **nationally** on DOS	96	N56
Invalid **Procedure Code**	181	M20

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.