Agenda

- What is a secondary claim?
- Pricing logic used by NCTracks in payment of secondary claims
- What to include on claims to Medicare and other third parties to facilitate successful “crossover”
- How to bill secondary claims directly to NCTracks
- Known issues with processing secondary claims
- Common errors found in secondary claims
- Resources
- Questions
What is a secondary claim?

- The term “secondary claim” applies to any Medicaid claim billed to NCTracks for which Medicaid is not the primary payer.
- The primary payer may be Medicare or other third party, including private insurance.
- This includes claims for which the primary payer paid zero.
- Secondary claims are typically “crossovers”, sent from the Medicare intermediary or other third party payer directly to NCTracks. However, in some circumstances, a secondary claim must be sent directly to NCTracks by the provider. (See slide 9.)
- Secondary claims must indicate the amount paid by the primary payer.
- Claim types include Inpatient and Outpatient Institutional claims and Professional claims.
- If a Medicaid claim is received by NCTracks for a recipient that is eligible for Medicare or other insurance and the amount paid by the primary payer is not included on the claim, it will be denied.
• Pricing logic used by NCTracks in payment of secondary claims
  - Effective July 1, 2013, NCTracks used the following formula for processing secondary claims:
    ✓ Medicaid Allowable minus Medicare Paid Amount equals the Net Medicaid Allowable. Next, the Net Medicaid Allowable is compared to the Medicare Coinsurance Amount and the lesser of the two is the amount payable by Medicaid. (See slide 7 for example)
  - On October 6, 2013, NCTracks implemented system logic to more precisely pay Medicare crossover claims in accordance with State law and the North Carolina State Plan approved by the Centers for Medicare and Medicaid Services (CMS) on a claim specific basis.
  - Even after the change in system logic, however, some crossover claims may have a paid amount of zero.
  - This information applies to all secondary claims submitted to NCTracks, not just Medicare crossovers (with the exception of retail pharmacy). This includes institutional claims.
Other considerations regarding pricing logic for secondary claims

- The amounts paid to professional providers (i.e., submitted on claim format CMS 1500 or 837P) may not be equal to the amount paid for claims processed on the prior Medicaid claims system administered by the legacy system because it lacked the capability to perform such calculations on a claim specific basis.

- In addition, the prior Medicaid claims system made such payment determinations based on “header level” rather than a “detail level.” As a result of NCTracks processing claims based on the “detail level,” specific services that are not covered by Medicaid will be denied and not included in the payment calculation.

- For NCTracks, DHB Clinical Policy reviewed services that previously bypassed Medicare and third party editing and made changes in how those services are handled. (E.g. CAP) There is very little automatic bypass in NCTracks.
### Examples of NCTracks pricing logic for secondary claims

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<thead>
<tr>
<th></th>
<th>Example #1</th>
<th>Example #2</th>
</tr>
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<tbody>
<tr>
<td>Total Billed Charges</td>
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<tr>
<td>Medicare Allowed Amount</td>
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<td>80.26</td>
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<td>Medicare Paid Amount</td>
<td>79.95</td>
<td>64.21</td>
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<td>Medicare Contractual Adjustment</td>
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<td>-78.74</td>
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<tr>
<td>Medicare Coinsurance Amount</td>
<td>20.39</td>
<td>16.05</td>
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<tr>
<td>Medicaid Allowable</td>
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<tr>
<td>Medicaid Paid Amount</td>
<td>-79.95</td>
<td>-64.21</td>
</tr>
<tr>
<td>Net Medicaid Allowable</td>
<td>4.34</td>
<td>20.99</td>
</tr>
<tr>
<td>Lesser of Medicare Coinsurance and Net Medicaid Allowable Amount</td>
<td>4.34</td>
<td>16.05</td>
</tr>
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What to include on claims to Medicare and other third parties to facilitate successful “crossover”

- The business rules for processing secondary claims in NCTracks are the same as those applied to primary claims, including the use of taxonomy codes. These business rules were stipulated by the State.

- Primary claims submitted to Medicare and other third parties for recipients who are also eligible for Medicaid should include the appropriate taxonomy codes for the billing and rendering providers, based on what is on their NCTracks provider record.

- Office Administrators may verify the taxonomy codes for the billing and rendering NPIs by using the Enrollment – Status and Management button on the secure NCTracks Provider Portal.

- Medicare intermediaries and third party insurance companies should pass through the billing and rendering provider taxonomy codes when the secondary claims crossover to NCTracks.
NCTracks Crossover Claims Workshop

• How to bill secondary claims directly to NCTracks
  - If a claim was paid by Medicare or other third party and the secondary claim is denied by NCTracks and the provider chooses to rebill Medicaid, the secondary claim must be sent directly to NCTracks by the provider.
  - Also, there are some situations in which the billing format used by the primary payer differs from Medicaid. For example, with FQHC/RHC and Ambulance claims, Medicare requires a UB/837I format and Medicaid requires a CMS1500/837P format. In those cases, the claim will not cross over and the provider will need to bill Medicaid as a secondary claim.
  - Secondary claims can be submitted to NCTracks either by keying them into the secure provider portal or as batch ANSI X12 transactions.
  - Review of User Guide
• **Known issues with processing secondary claims**
  - As a result of changes made to pricing logic on October 6, secondary claims previously processed by NCTracks with dates of service on and after July 1st will be reviewed and re-processed, if necessary, by February 15, 2014. No action is required by providers.
  - Some Medicare modifiers are not recognized by NCTracks
  - Some Medicare required CPT codes are not recognized by NCTracks
  - Some intermediaries are not passing through all taxonomy codes
  - Medicare pays DME monthly rentals based on initial date of service, but NCTracks regards it as a single day; expects span of dates
  - Change requests are already pending for some issues and other outstanding issues are being investigated; no target dates for resolution yet. Updates will be published to the portal.
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- **Common errors found in processing secondary claims**
  - The most common error found in NCTracks secondary claim denials remains taxonomy codes:
    - Missing Billing or Rendering Provider Taxonomy Codes
    - Billing NPI submitted with Rendering Provider Taxonomy Code (or vice versa)
    - Invalid Taxonomy Code submitted with Billing or Rendering NPI
  - Medicare and other third party claims should be billed with the appropriate Billing AND Rendering Provider Taxonomy Codes from the NCTracks provider record.
    - Taxonomy codes will be passed through on secondary claims to NCTracks
  - If you are including the appropriate Billing and Rendering Provider Taxonomy Codes on your Medicare or other third party claims, but they are missing or incorrect on the secondary claims received by NCTracks, check your practice management software and/or trading partner/clearinghouse
NCTracks Crossover Claims Workshop

• Resources to assist with secondary claims
  - DHB Bulletin (November 2013)
  - NCTracks Claims Adjudication Fact Sheet (May 2013)
  - NCTracks Secondary Claim page
  - User Guide on “How to Indicate Other Payer Details on a Claim in NCTracks and Batch Submissions” on Provider User Guide and Training page of NCTracks Provider Portal
  - FAQ for Secondary Claims on provider portal
  - March 2002 Special Medicaid Bulletin

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Questions