# EDI Support Services

## Billing Third Party Liability (TPL) Claims Electronically Using PC-ACE Pro32

### *Understanding Third Party Liability (TPL)*

#### *What is a TPL Claim?*

In some situations, a patient may have another insurance, which will always be billed prior to Medicaid. (Medicaid is the payer of last resort.) Before a TPL claim can be sent to Medicaid, certain information from the Primary payer's remittance advice is **required** to be sent in the claim.

#### *Why Submit TPL Claims Electronically?*

Several healthcare providers submit their TPL claims on paper. The common misconception is that these claims need to be submitted on paper so that the remittance from the primary payer can be submitted with it. When billing TPL claims electronically, Medicaid does not need a copy of the primary payer's remittance. The information submitted on the claim is used for processing and cross-referencing the remittance is no longer needed.

There are a couple of fields that are needed for submitting an electronic secondary claim to Medicaid. With this basic information, your third party liability claim will be processed as a secondary insurer.

If your software is not capable of billing TPL claims electronically, EDI Support Services (EDISS) offers free software, PC-ACE Pro32, which has this functionality.

#### *Locating the Required Data for TPL*

As previously mentioned, there are a few pieces of data that are needed to submit a TPL claim for processing. This data can be found on the primary payer's remittance advice. The data need from the primary payer would be the primary payment, the date of the primary remittance and the claim adjustment amounts (the amounts the primary payer didn't pay and why). However, because of the use of non-standard codes on some remittances, you may need to contact the primary payer for assistance in identifying the data on the primary payer's remittance.

## TPL Terminology

**Co-payment:** This is the amount paid for each medical service, such as a doctor's visit. A co-payment is usually a set dollar amount you pay for a service.

**Deductible:** The amount you must pay for health care costs prior to the insurance company making a payment.

**Insurance Type:** Medicaid Secondary Payer "Reason Code" used to identify the type of insurance policy. This value must be correct or your claim will deny.

**PC-ACE Pro32:** EDI Support Services' free/low-cost billing software. Providers can use PC-ACE Pro32 to create and submit electronic claims, view and print Electronic Remittance Advices, and create batch requests for eligibility and claim status.

**Primary Paid:** The actual amount paid by the payer for a service line under the provisions of the contract.

**Primary Payer:** An insurance policy, plan, or program that is first in line to pay on a claim for medical care.

**Provider:** A hospital, health care professional or healthcare facility.

**Secondary Payer:** An insurance policy, plan, or program that is second in line to pay on a claim for medical care.

**Third Party Liability (TPL):** Any situation where another payer or insurance pays medical bills before Medicaid.

## *Billing TPL Claims Using PC-ACE Pro32*

If you use PC-ACE to bill your third party liability claims, you only need to be aware of the fields in the software that are required to be completed. PC-ACE Pro32 will create a compliant ANSI X12 file that can be submitted to EDISS electronically.

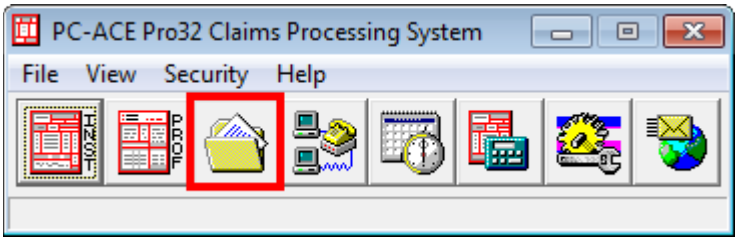
### *Setting Up Trading Partner Information*

**I. Submitter Set up**

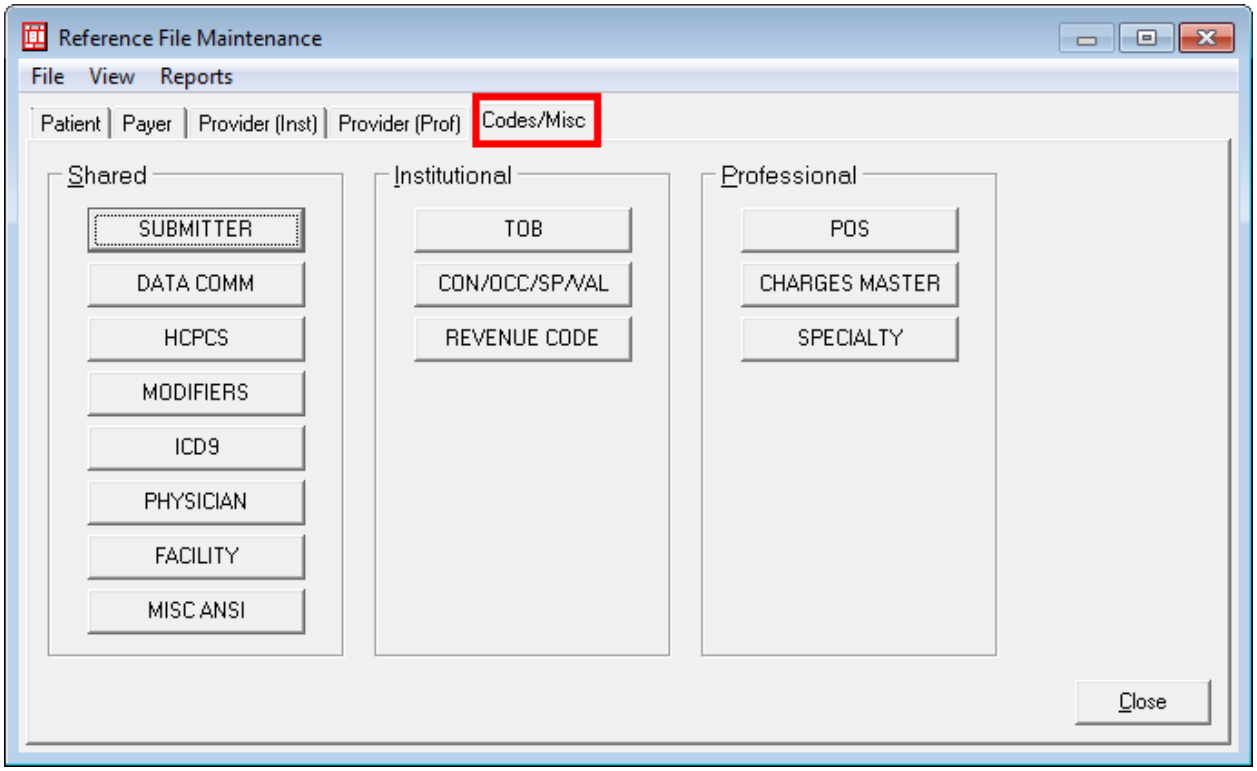
You will need to update PC-ACE with the specific submitter information assigned by EDISS. This information can be found in your Total OnBoarding (TOB) account.

Complete the following steps to create a 'Submitter' record:

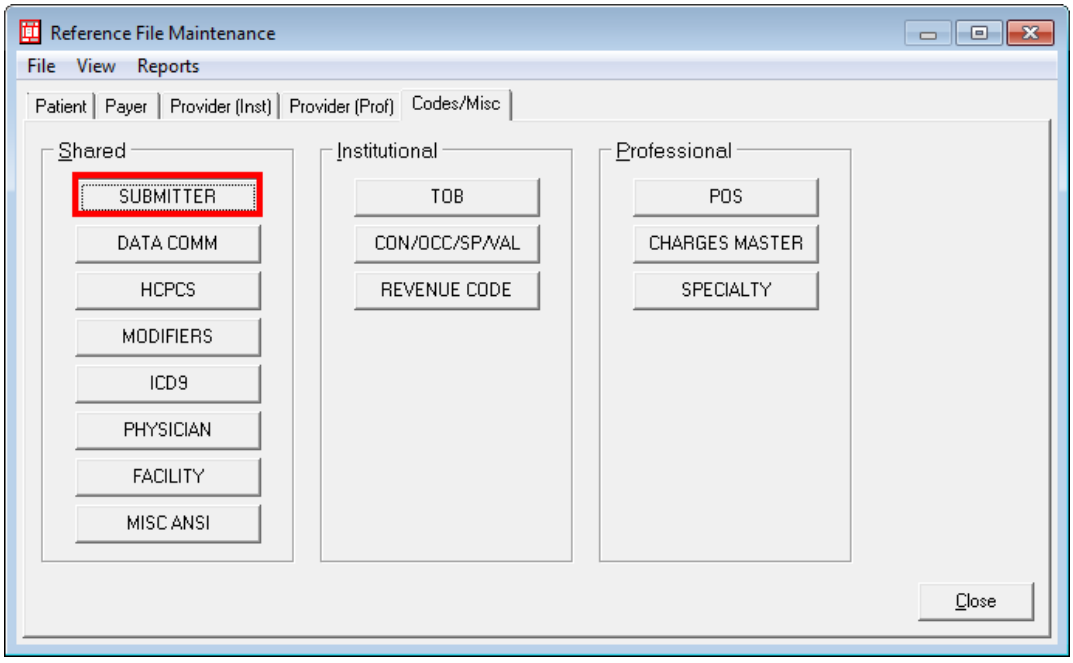
**Step 1:** Select 'Reference File Maintenance' from the PC-ACE main toolbar.



**Step 2:** Select the 'Codes/Misc' Tab from the Reference File Maintenance screen that appears.




**Step 3:** Select the 'Submitter' button on the left at the top of the list of Reference Files on the 'Codes/Misc' tab.



PC-ACE will only allow for **one Trading Partner ID (Submitter ID)** to be entered into the program.

**Step 4:** Select the **example provided** to highlight it.

**Step 5:** Select **'view/update'** from the bottom of the window

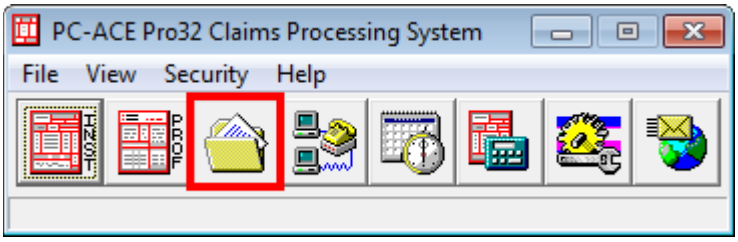
**Step 6: Update** all fields with information pertaining to your facility.

## II. Payer File Setup

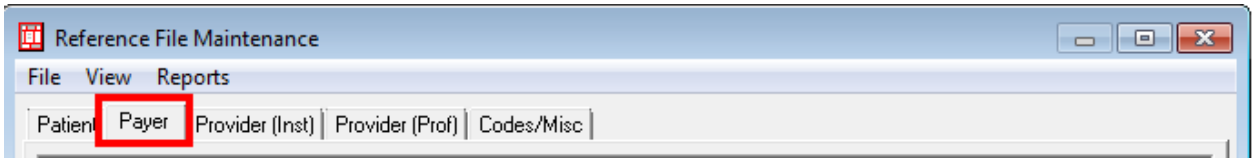
You will need to create a 'Payer' record for each insurance company/benefit that your patients have as primary plans. A 'Payer' record must be set up in the Reference File Maintenance if the payer isn't already listed on the payer list.

Complete the following steps to create a 'Payer File' record for a primary or secondary insurance plan/benefit:

**Step 1**: Select 'Reference File Maintenance' from the PC-ACE main toolbar.

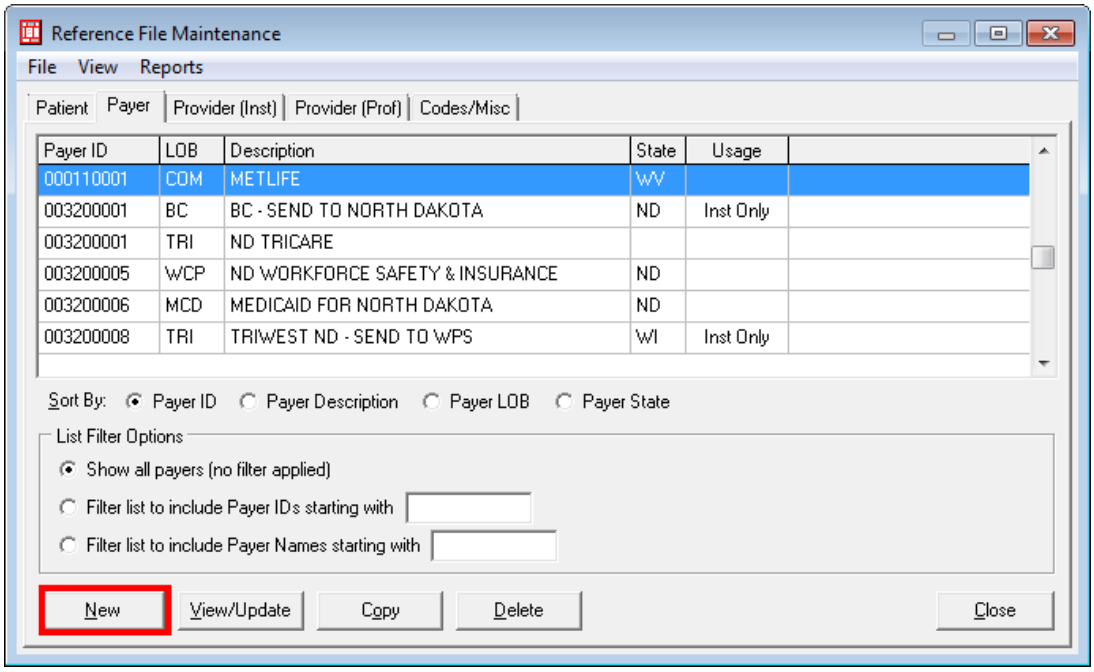



**Step 2**: Select the 'Payer' tab from the Reference File Maintenance screen.




A list of 'Payer' records that have already been added to the file will be displayed.

**Step 3**: Select 'New' at the bottom of the Payer list.




Type the 'Payer ID' assigned to this Payer.

If you cannot locate the Payer ID press <F1> for more information.

- **LOB Field (Line of Business)** – Required
  Right-click or select <F2> while your cursor is in the field to obtain a list of valid values.
- **Full Description Field** – Required
  Type the 'Payer' (Insurance Plan/Benefit) name.
- **Address/City/State/Zip Fields** – Optional

While this information is not required, EDISS does recommend entering it, if known.

- **Contact Name/Phone/Ext/Fax Fields** – Optional
  Type the name and telephone/fax number(s) if known.
- **Source & Edit Ind Field –** Required
  Right click or select <F2> while your cursor is in this field to obtain a list of valid 'Source' values. Select the most appropriate value for this payer from the list provided.
- Usage Field – Leave Blank-Optional
  This field can be left blank or populated with a 'B'.

**Step 5**: Once you have completed all of the required 'Payer Information' fields, click 'Save'.

The validation feature in PC-ACE Pro32 will determine if there are any fields that need to be corrected. To correct an error, click on the error on the Validation list and PC-ACE will take

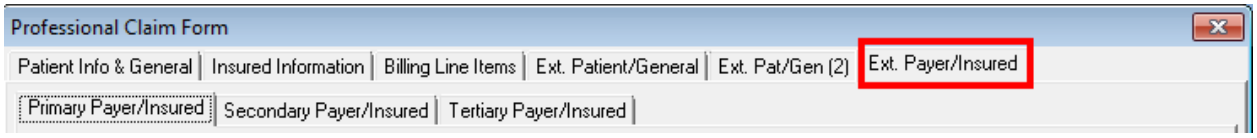
you to the field to correct. If changes need to be made to the payer record after entering the information, simply select the payer from the list and select view/update.

## *Entering Claim Data for TPL Claims*

**When entering a new claim for a patient with insurance primary to Medicaid, you will need to enter a 'Y' in the 'COB' field on the 'Patient Info and General' tab.

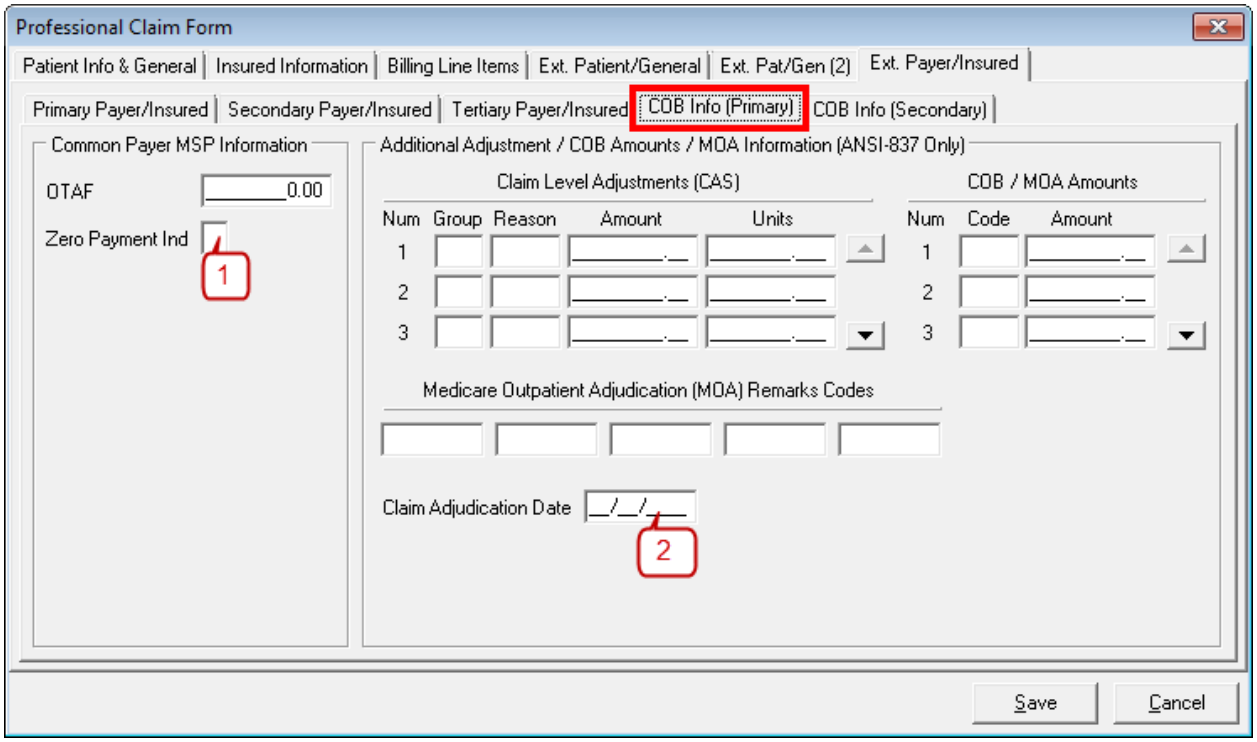
**When entering a new claim for a patient with insurance primary to Medicaid, you will need to enter the primary insurance information in the first line in the 'Insured Information' tab and the information for Medicaid in the second line.

**When you enter TPL claim data, you need to access the 'Extended Payer/Insured' tab to enter the primary payment information.



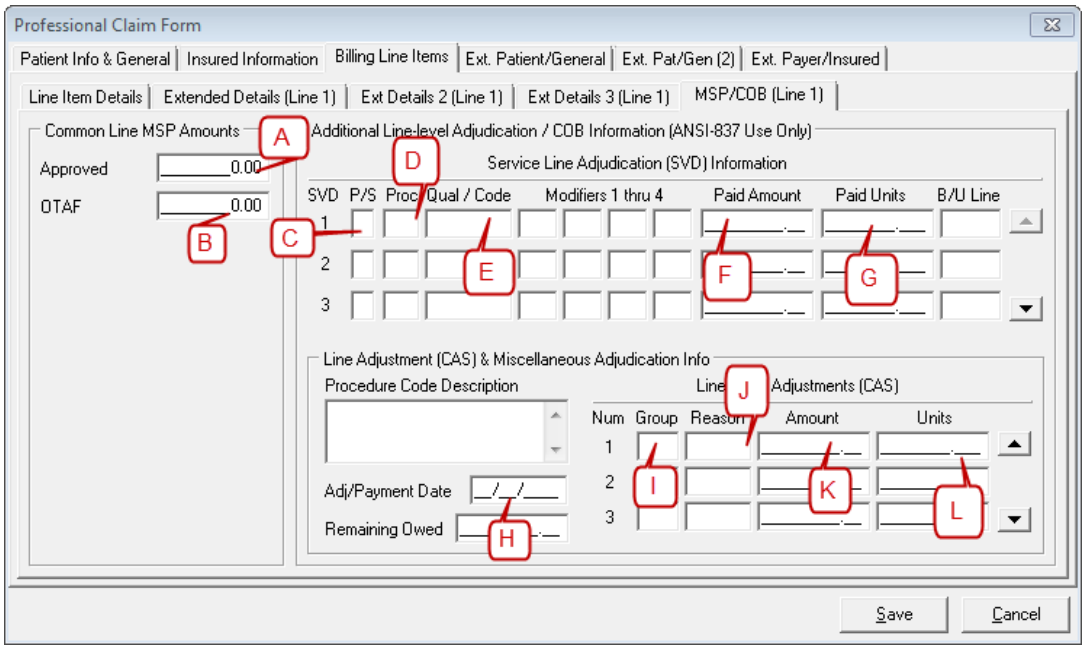

From the 'Extended Payer/Insured' tab, select the 'COB Info (Primary)' tab.

COB Info (Primary) Tab:




1. In the Zero Payment Ind field, right-click and select "Z" if the primary payer does not pay. Select "N" if the primary payer did pay.
2. In the Claim Adjudication Date field, enter the date that you are transmitting the claim. (The claim adjudication date is not to be entered here if it is entered on the service lines.)
3. Select Save.

*MSP/COB Tab:*




After entering the Billing Line Items, enter the line level TPL information for each line of service. This information is required.

1. Select the MSP/COB (Line 1) tab and complete the following fields.

   **Note:** Ensure the line in parenthesis coordinates to the line that information is being entered into. To do this, place the cursor on the detail line prior to selecting this tab.

   A. Approved: Enter the amount the Primary payer approved for this service. If the insurance Primary to Medicaid does not show the approved/allowed amount, calculate the difference between the billed and the non-covered amounts and enter that amount the Approved field. (Not required.)

   B. OTAF: If this is an OTAF claim, enter the dollar amount you are obligated to accept from the Primary insurance. This means if you are contracted or participating with the primary insurance and you are obligated to accept the eligible amount that becomes the OTAF amount.

   C. P/S: Enter P (for Primary). (Or S for Secondary if this is a tertiary claim.)

   D. Proc: Right-click or select <F2> and select HC.

   E. Qual/Code: Enter the procedure describing the service to which this adjustment is applicable. This is typically duplicated from the original claim service line.

   F. Paid Amount: Type the amount paid by the Primary payer for this line of service only. Remember, an MSP/COB tab must be completed for each line of service on the Billing Line Items tab.

G. Paid Units: Enter the unit(s) that was/were paid for this service line.

H. Adj/Payment Date: Enter the date this service line was adjudicated by the payer.

I. Group: Right-click or select <F2> to activate the options. Select the code that identifies the general group/category of payment adjustment.

J. Reason: Right-click or select <F2> to activate the options. Select the code that identifies the detailed reason the adjustment was made. For example, if the adjustment is due to the patient's deductible, choose PR for the Group code and choose 1 for the Reason code.

**Note:** If there are multiple line level adjustments on the claim such as coinsurance, a deductible amount and provider discounts or write-offs they are all reported here.

K. Amount: Enter the amount of the adjustment.

L. Units: Enter the units of service being adjusted.