

The Remittance Advice

Understanding Claim(s) Status

This Chapter shows how to:

- Obtain the Agency Remittance Advice (RA).
- Determine what claims were paid.
- Determine if any claims were denied.
- Review adjustment reason and remark codes (Explanation of Benefit codes) to research denied claims.
- Understand the payment and RA cycle.
- Review claims in process.

The RA provides providers with the information needed to check the status of the claims. Providers can apply payments to the client accounts from the “Claim Paid” section(s).

Why is Reconciling the Remittance Advice (RA) Important?

The Health Care Authority (the Agency) makes payments to providers weekly. The Agency always pays on Monday each week and claim submission cutoff in the payment system is Tuesday at 6 p.m.* to make payment the following Monday for a “clean” claim. Clean claims are claims that have all of the required data elements and do not conflict with Agency program policies. Clean claims submitted after cutoff will be paid the following payment cycle of the following Monday. The Agency sends out the RA weekly through a variety of methods and it is always following Monday’s payment cycle.

***Note:** Claims may arrive in the payment system before 6 p.m. on Tuesday, but not be processed until after the cut off time. These claims will miss the next Monday payment and be paid the following payment cycle of the following Monday.

The RA is broken down into key elements:

- RA Newsletter
- RA Summary
- Paid Claims
- Denied Claims
- Claims – In – Process
- Adjustment Claims

Each key section may be split into multiple parts that could include “paid claims -physician claims” and “paid claims - Medicare crossover claims” located on different pages. Be sure to look for possible multiple sections when reconciling the RA.

Disclaimer

A contract, known as the Core Provider Agreement, governs the relationship between the Agency and providers. The Core Provider Agreement's terms and conditions incorporate federal laws, rules and regulations, state law, the Agency rules and regulations, and the Agency program policies, numbered memoranda, and Medicaid Provider Guides, including this Guide. Providers must submit a claim in accordance with the Agency rules, policies, numbered memoranda, and Medicaid Provider Guides in effect at the time they provided the service.

The Key Steps

- 1. Retrieve Remittance Advice**
- 2. Review Updates and Key Messages**
- 3. Review Summary**
- 4. Review Paid Claims**
- 5. Review and Research Denied Claims**
- 6. Review Adjusted Claims**
- 7. Review In Process Claims**
- 8. Review the EOB Codes**

Key Step
1

1. Retrieve the Remittance Advice

Why

There are several ways to obtain the Remittance Advice (RA). Providers will want to select the method that best suits their business needs.

How

- The methods are:
 - PDF file
 - Electronic 835

- Retrieve the RA via the ProviderOne Portal
 - Log in to ProviderOne
 - Choose the **EXT Provider Claims/Payment Status Checker** or **EXT Provider Super User** profile
 - Select “View Payment” (RHCs and FQHCs select “View Capitation Payment” to view enhancement/Managed Care RAs)
 - The segment below will be displayed.
 - Click on the **RA/ETRR Number** in the first column to review a PDF of the RA. ProviderOne will hold 4 years of RAs generated in ProviderOne.

RA/ETRR Number	Check Number	Check/ETRR Date	RA Date	Claim Count	Charges	Payment Amount	Adjusted Amount	Download
0000001	0000001	04/11/2013	04/12/2013	1726	\$ 93.13	\$ 59.90	\$ 47.01	
0000002	0000002	04/04/2013	04/05/2013	1787	\$ 93.13	\$ 59.90	\$ 47.01	

Pitfalls

- **Failing to use the correct user profile.** This may result in not being able to retrieve the RA in ProviderOne.
- **Logging into the wrong domain.** This may result in not finding the RA matching your payment.

Key Step
2

2. Review Updates and Key Messages

Why

The Agency uses the RA “newsletter” to communicate changes and new information. Taking the time to review this section will ensure current important Medical Assistance changes and messages will be seen.

How

View the first page of the RA.

Washington State Health Care Authority

Health Care Authority Remittance Advice

GEORGE WASHINGTON DDS
4012 GRAND ST
VANCOUVER WA 98686
Phone: (360) 666-7122

RA Number: 118021

Billing Provider: 2250186000

Prepared Date: 05/28/2010
RA Date: 05/28/2010
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1. Attention all Providers:
You may dispute overpayment adjustments listed in this Remittance Advice (RA) by sending a written request for a hearing to:
• Office of Financial Recovery (OFR) at P.O. Box 9501, Olympia, Washington 98507-9501 within 28 days of the RA Date.
Your Request for the hearing must:
• Be sent by Certified Mail (Return Receipt) or other manner that proves that OFR received your request. You may be required to prove that your request was received by OFR.
• Include a Statement as to why you think the overpayments are not correctly adjudicated and
• Included a copy of this Remittance Advice (RA).
The Office of Administrative Hearing will schedule a Formal Hearing. Hearings are conducted under the Administrative Procedure Act. You will be offered a Pre-Hearing Conference in an Attempt to resolve your dispute Prior to the Formal Hearing.
2. Your claims were processed in ProviderOne, the Department of Social and Health Services new payment system. If you have any questions, please call 1-800-562-3022 and follow the appropriate prompts.

Note: This example of the RA is just an approximation of a providers actual RA.

- A. Provider demographic information.
- B. The number assigned to the RA.
- C. The NPI provider number used in billing the Agency.
- D. The payment date and the date this RA was prepared.

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- E. The main body of this RA page is our newsletter with important provider update information (sometimes specific to certain provider groups).



NOTE: Providers can call the IVR to check their warrant (check) amount. See [Appendix O](#).

Pitfalls

- **Failing to review this section of the RA. The Agency uses the RA to communicate important changes. Providers may miss an update that could affect their payment.**

Key Step
3

3. Review Summary

Why

Providers can find out the total amount of their Electronic Funds Transfer (EFT) or warrant (check) and how the Agency determined that amount.

How

The summary page lists all claim payments by sections and all other payment and adjustment amounts.

RA Number: 118021
Warrant/EFT #: 4387

Warrant/EFT Date: 08/09/2005

Prepared Date: 08/01/2005
RA Date: 08/08/2005

Warrant/EFT Amount: \$2,149.75
Payment Method: Warrant

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Claims Summary							Provider Adjustments						
Billing Provider	Category	Total Billed Amount	Total Allowed Amount	Total TPL Amount	Total Client Resp. Amount	Total Paid	Billing Provider	FIN Invoice Number	Source	Adjustment Type	Previous Balance Amount	Adjustment Amount	Remaining Balance Amount
2250186000	Paid	\$5418.00	\$4638.00	\$0.00	\$0.00	\$4584.25	2250186000	CM3876	System Initiated	WO: Overpayment Recovery	\$1,200.00	\$700.00	\$500.00
2250186000	Denied	\$11780.00	\$0.00	\$0.00	\$0.00	\$0.00	2250186000	398744	HIPAA to System Initiated	LE: IRS Levy	\$68,200.00	\$1,700.00	\$66,500.00
2250186000	Adjustments	\$0.00	-\$34.50	\$0.00	\$0.00	-\$34.50							
2250186000	Suspended	\$156.00	\$0.00	\$0.00	\$0.00	\$0.00							
Total Adjustment Amount											\$2,400.00		

Note: This example of the RA is just an approximation of a providers actual RA.

- A. Check number and date of payment.
- B. Total payment received on the check (warrant) or EFT.
- C. Total of the paid claims on this RA.
- D. Deduction due to a claim adjustment from the total paid amount.
- E. Deduction due to an audit overpayment (\$700).
- F. Deduction due to an IRS Lien (\$1700).

The following section details the Provider Adjustments section of the Summary Page.

Provider Adjustments

There are several different Adjustment Type codes that may be seen on the Summary Page of the RA.

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The Adjustment Type is a result of action by the provider on a claim/several claims or an Agency action. The following table indicates the Adjustment Type and explains what they are:

Adjustment Type	Meaning
PIOFF Invoice	A P1 Offset Receivable has been created in OFIN which is available for recovery. This receivable can be created as the result of “Voiding” a claim or net negatively “adjusting” a claim. A gross adjustment of type (Take Back) can also result in the creation of a receivable. Plain English: Provider owes us money. In our accounting system, called OFIN, we have created an account receivable. We will satisfy this receivable by either taking payment from a different paid claim if more claims come through, or we will send this receivable to CARS so that they can initiate the recovery for us. After 6 months the PIOFF becomes an ATC Referred to CARS (see below).
PIOFF Recoupment	A recovery has been made against a P1 Offset Receivable by offsetting provider payments available for the week. Plain English: the provider owed us money, and in order to satisfy our accounts receivable, we took payment from other paid claims and used it to satisfy what was owed. <u>Usually you will see this just after a PIOFF Invoice line.</u>
NOC Invoice	A Non-Offset Receivable has been created for immediate transfer to CARS. This receivable can be created as a result of “Voiding” a claim or net negatively “Adjusting” a claim. Plain English: A NOC Invoice can be caused by: <ul style="list-style-type: none"> • Adjusting an old claim • Payment Review Program (PRP) recoupment of an old claim • A Mass Adjustment affecting an old claim(s).
NOC Referred to CARS	A Non-Offset Receivable has been referred to CARS. This happens as soon as a NOC receivable is recognized. Plain English: A claim was processed (Adjusted). ProviderOne will not try to meet the receivable by taking other paid claims and using those payments towards our receivable, rather this claim will be referred directly to OFR for recovery.
CASH RECEIVED Invoice	A receivable of type “Cash Received” is created in OFIN. This receivable can be created as a result of “Voiding” a claim or net negatively “Adjusting” a claim and the state worker entering a cash receipt number during such activity. A gross adjustment of type “Cash Received” can also result in the creation of a receivable of this type. Plain English: We received a check from the provider and now we’re adjusting their claims to account for the cash received.
CASH RECEIVED Cash Application	Cash has been applied to a “Cash Received” receivable in OFIN thus reducing the amount the provider owes to the state. Plain English: The provider sent us a check and they owed us money. We applied the money towards the receivable in the accounting system.
ATC Referred to CARS	A P1 Offset Receivable has been referred to CARS after it ages in OFIN for over 6 months. Plain English: ProviderOne tried to recover the money

	that the provider owed us but they did not have any/enough paid claims come through in the last 6 months to satisfy the debt, so we sent this balance owing to OFR to collect.
COFF Invoice	A CARS Offset Invoice has been created in OFIN as per the request received to ProviderOne from CARS. Plain English: All questions about COFF offsets should be directed to OFR at 1-800-562-6114.
COFF Recoupment	A recovery has been made against a CARS Offset Receivable by offsetting provider payments available for the week. Plain English: A receivable was sent to OFR to collect, and OFR sent back a request to take other payments for paid claims from the provider and use them towards satisfying the receivable. There should be other paid claims on the RA, and we use some of those payments to send to OFR to help them satisfy the debt.
COFF Referred to CARS	A CARS Offset Receivable has been referred to CARS after it expires in OFIN or if CARS requests a closure. Plain English: ProviderOne tried to recover the money that the provider owed us but they did not have any/enough paid claims come through in the last 6 months to satisfy the debt, so we sent this balance owing to OFR to collect.

Legend:

- OFR – Office of Financial Responsibility
- OFIN – Oracle Financial System
- CARS – OFR recovery
- NOC – Non-Offset to CARS
- ATC – Automatic Transfer to CARS
- COFF – Lien put on a provider
- P1OFF – ProviderOne Offset (Claim Adjustment)

What is the FIN Invoice Number?

Each Adjustment Type displayed on the RA generates an invoice account. Each account is assigned a Financial Invoice Number that is displayed on the RA. Only OFR staff have access to these account numbers however they can be used to track where the original offset was generated on an RA.

Most Common Adjustment Type

The most common Adjustment Type is the P1OFF which is a result of a claim/several claims being net negatively adjusted or voided.

- A net negative adjustment is when a claim is originally paid then adjusted and the adjusted claim gets denied.
- Usually a claim that is adjusted creates a “credit” then is repaid by a “debit” on the same RA and no P1OFF is generated by the system. ProviderOne is supposed to “credit” and “debit” adjusted claims on the same RA so as not to create unnecessary P1OFF accounts.
- A voided claim will create a P1OFF which may or may not be invoiced/recouped on the same RA.

How do I find the P1OFF – Invoice claim(s)?

The P1OFF – Invoice listing will be created on the RA that reports the claim adjustment which can be located in the body of the RA. If there are multiple P1OFF listed there is a possibility that they could carry over onto the next weeks RA or multiple weeks RA after being generated. Providers may have to review previous RAs to find when the P1OFF was originally created to find the affected claims. Use the FIN Invoice Number to verify review of the correct P1OFF.

How are the P1OFF – Invoice satisfied?

P1OFF – Invoices are cleared when enough new claim payments are generated for the RA reporting period. Clearing a P1OFF requires two transactions to be displayed on the Summary Page:

- The P1OFF – Invoice which is the amount owed the state; and
- The P1OFF – Recoupment which is taken from the new claim payments and used to “retire” the offset amount.
- The RA will display the total recoupment amount as the **Total Adjustment Amount** at the bottom of the Adjustment Type list side of the Summary Page.

How is the P1OFF dollar amount figured?

Sometimes the P1OFF – Recoupment amount is not fully satisfied by the new claim payment amounts so ProviderOne would carry that balance over to the next RA as a new P1OFF – Invoice amount. Now it does not match any claim paid amount but the FIN Invoice Number can be used to track back and find the original claim adjustment. This new P1OFF – Invoice amount will be satisfied with generation of new claim payments.

The dollar amounts still do not match?

It can be difficult to track claim payments, P1OFF –Recoupments, and the actual check generated for the week. If there were a large amount of P1OFF – Invoices, they could be carried over several RAs and all those RA summary pages would be needed to balance actual payments. All the figures should eventually balance out:

- Claim payment(s); plus
- Positive or negative adjusted claim amounts; total then minus
- Total Adjustment Amount; equals
- Actual check amount

Cash Refunds

Providers do refund overpaid claims by sending in a check. These show up on the RA as CASH RECEIVED Adjustment Types.

Other Adjustment Types

Other Adjustment Types may occur when the Agency recoups claims:

- For non-compliance to program rules;
- Overpayments
- A P1OFF – Invoice over 6 months old; or
- COFF Invoice
- Other adjustment reasons

These other adjustments types are usually accompanied by a letter to the provider requesting a payment from the provider.

Future enhancement

A planned future enhancement to the Provider Adjustments section of the RA is to add the TCN number of the affected claim in addition to the FIN Invoice Number in that column. The hope is to make tracking of the adjustments easier for providers.

Pitfalls

- **Failing to review any payment adjustments. This could be mistaken as a under payment or an over payment by the Agency.**