

**South Carolina**  
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May 11, 2011

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Dent	Pod
MC	Chir
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## MEDICAID BULLETIN

**TO: Providers Indicated**

**SUBJECT: Reporting Patient Liability on CMS-1500/837P Claims**

On December 10, 2010, the South Carolina Department of Health and Human Services (SCDHHS) issued a bulletin, notifying providers of warning edits related to patient responsibility that were to be effective with claims and provider error correction forms (ECFs) received on or after January 10, 2011. Implementation of these warning edits was delayed. They will be implemented for claims and provider ECFs received on or after June 15, 2011.

As stated in the earlier bulletin, the South Carolina Department of Health and Human Services (SCDHHS) will require providers to include the "patient responsibility" amount on all claims where a beneficiary has third party coverage, including Medicare. The third party payment plus the "patient responsibility" cannot exceed the amount the provider has agreed to accept as payment in full from the third party payer, including Medicare.

The "patient responsibility" amount should be entered into the "balance due" field (Field # 30) on the CMS-1500 form.

For the 837-P, "patient responsibility" should be populated in Loop 2320. The value in CAS01 will be PR. The value in CAS02, CAS05 and/or CAS08 will be 1 (deductible), 2 (coinsurance), and/or 3 (co-pay). The aforementioned Claim Adjustment Reason Codes will be the only codes used by SC Medicaid in this segment. The value in CAS03, CAS06 and/or CAS09 will be the dollar amount for each Claim Adjustment Reason Code used. This information is also outlined in the SC Medicaid Companion Guide located at:

<http://www.scdhhs.gov/hipaa/Companion%20Guides.asp>

Remittance advices will reflect the following warning edits: (These warning edits are informational and will not impact the payment of claims until July 1, 2011.)

**165** – When there is a third party payer on the claim that is primary to Medicaid, the “patient responsibility”, entered in the “balance due” (Field #30 on the CMS-1500) and the co-pay, coinsurance and deductible for the third party payer (CAS segment on the 837P), cannot be blank or nonnumeric.

**166** – When there is a third party payer on the claim that is primary to Medicaid, and the “patient responsibility”/balance due is zero, Medicaid’s payment will be zero. Medicaid payment cannot exceed the amount of “patient responsibility.”

Effective with claims and provider error correction forms (ECFs) received on or after July 1, 2011, Medicaid will use the “patient responsibility” amount entered in the “balance due” field (Field #30) on the CMS-1500 and in the CAS segment of the 837 to calculate the Medicaid payment to ensure that Medicaid payment does not exceed “patient responsibility.” At that time, claims with edit code 165 will be denied and claims with a “patient responsibility”/balance due of zero will pay zero.

For providers that submit both pharmacy and professional claims, reporting of patient liability, for point of sale prescription claims, was implemented on September 15, 2010. The change described in this bulletin applies to the CMS-1500 and 837 professional claims.

Please contact your program manager if you have questions regarding this policy. If you have any questions regarding 837P billing requirements, please contact the EDI Support Center at 1-888-289-0709. Thank you for your continued support and participation in the South Carolina Medicaid Program.

/S/  
Anthony E. Keck  
Director

AEK/

**Note:** To receive Medicaid bulletins by email, please register at <http://bulletin.scdhhs.gov/>.  
To sign up for Electronic Funds Transfer of your Medicaid payment, please go to <http://www.dhhs.state.sc.us/dhhsnew/hipaa/index.asp> and select " Electronic Funds Transfer (EFT)" for instructions