

NCPDP Payer Audit Reporting on the X12/005010X221A1 Health Care Claim Payment/Advice (835 Transaction)

This paper offers guidance to the pharmacy industry in preparing for the implementation of the ICD10-CM and ICD-PCS code sets.

March 2017

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Published by:
National Council for Prescription Drug Programs

Publication History:
Version 1.0 September 2012
Version 1.1 March 2017

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1. DISCLAIMER

This Reference Guide must be used in conjunction with the *X12/005010X221A1 Health Care Claim Payment/Advice (835)*. This document does not supersede 005010X221A1. There may be other fields that must be populated that are not noted in this reference guide. This guidance only addresses claims submitted through NCPDP transactions or paper claim forms.

The X12 Technical Report 3 documents (TR3) are available at <http://store.x12.org/store/>.

2. PURPOSE OF THIS DOCUMENT

Payers may use this guidance to convey the outcome of payer-initiated post payment audit and adjustments of pharmacy claims using the 005010X221A1 to their business partners. The document should not be used as a standard form to be filled in by payers to provide information that is important to pharmacy providers, pharmacy reconciliation vendors, and other implementation units.

3. 005010X221A1 AUDIT EXAMPLES

The examples include the following four possible business cases:

- [Payer Audit Full Recoupment](#)
- [Payer Audit Partial Payment](#)

Legend:

005010X221A1 Field	Values/Comments
CLP02 – Claim Status Code ¹	1 = Processed as Primary. 2 = Processed as Secondary 3 = Processed as Tertiary. 22 = Reversal of previous payment. Note: The correction should be reflective of the CLP02 in original payment. Therefore if a 1, 2, or 3 is sent on the original payment, the reversal should contain the same CLP02 value.
CLP06 – Claim Filing Indicator Code ²	13 = Point of service
CAS01 – Claim Adjustment Group Code ³	CO = Contractual obligation PR = Patient Responsibility
CAS02 – Claim Adjustment Reason Code	3 = Copayment amount 226 = Information requested from the Billing/Rendering Provider was not provided or was insufficient/incomplete. At least one Remark Code must be provided (may be comprised of either the NCPDP Reject Reason Code, or Remittance Advice Remark Code that is not an ALERT.) 90 = Ingredient cost adjustment
LQ01 – Code List Qualifier Code ⁴	HE = Claim payment remark code (411 Code Source)
LQ02 – Remark Code	N199 = Additional payment/recoupment approved based on payer-initiated review/audit.

3.1 PAYER AUDIT FULL RECOUPMENT - X12/005010X221A1 TRANSACTION

The claim example⁵ below illustrate transaction sets where a payer makes full payment on a claim in cycle 1 and then sends a reversal and correction in a subsequent cycle (cycle 2) to indicate the claim is being recouped in full as result of a payer audit. Note: Cycle numbers are used for reference purposes only. Actual payments may not occur on consecutive cycles.

¹ Accredited Standards Committee X12, Insurance Subcommittee, X12N. "Claim Status Code" Health Care Claim Payment/Advice (835) 005010X221A1 page 124. Washington Publishing Company, Apr. 2006. <<http://www.wpc-edi.com>>.

² Accredited Standards Committee X12, Insurance Subcommittee, X12N. "Claim Filing Indicator Code" Health Care Claim Payment/Advice (835) 005010X221A1 page 126-127. Washington Publishing Company, Apr. 2006. <<http://www.wpc-edi.com>>.

³ Accredited Standards Committee X12, Insurance Subcommittee, X12N. "Claim Adjustment Group Code" Health Care Claim Payment/Advice (835) 005010X221A1 page 198. Washington Publishing Company, Apr. 2006. <<http://www.wpc-edi.com>>.

⁴ Accredited Standards Committee X12, Insurance Subcommittee, X12N. "Code List Qualifier" Health Care Claim Payment/Advice (835) 005010X221A1 page 215. Washington Publishing Company, Apr. 2006. <<http://www.wpc-edi.com>>.

⁵ Accredited Standards Committee X12, Insurance Subcommittee, X12N. "10.1.2 Data Use by Business Use" Health Care Claim Payment/Advice (835) 005010X221A1. Washington Publishing Company, Apr. 2006. <<http://www.wpc-edi.com>>.

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Loop	Reference Designator Definition	Cycle 1 (Payment)		Cycle 2 (Reversal)		Cycle 2 (Correction)	
2100	Claim Submitter's Identifier	CLP01:	1234589	CLP01:	1234589	CLP01:	1234589
	Claim Status Code	CLP02:	1	CLP02:	22	CLP02:	1
	Total Claim Charge Amount	CLP03:	13.50	CLP03:	-13.50	CLP03:	13.50
	Claim Payment Amount	CLP04:	9.50	CLP04:	-9.50	CLP04:	0.00
	Patient Responsibility Amount	CLP05:	3.00	CLP05:		CLP05:	3.00
	Claim Filing Indicator Code	CLP06:	13	CLP06:	13	CLP06:	13
	Entity Identifier Code	NM101:	QC	NM101:	QC	NM101:	QC
	Entity Type	NM102:	1	NM102:	1	NM102:	1
	Patient Last Name	NM103:	Last	NM103:	Last	NM103:	Last
	Patient First Name	NM104:	First	NM104:	First	NM104:	First
	Identification Code Qualifier	NM108:	MI	NM108:	MI	NM108:	MI
	Patient Identifier	NM109:	987654321	NM109:	987654321	NM109:	987654321
2110	Composite Medical Procedure Code	SVC01:	N4	SVC01:	N4	SVC01:	N4
	Procedure Code	SVC01-2:	12345678901	SVC01-2:	12345678901	SVC01-2:	12345678901
	Line Item Charge Amount	SVC02:	13.50	SVC02:	-13.50	SVC02:	13.50
	Line Item Provider Payment Amount	SVC03:	9.50	SVC03:	-9.50	SVC03:	0.00
	Quantity	SVC05:	30	SVC05:	30	SVC05:	30
	Date Time Qualifier	DTM01:	472	DTM01:	472	DTM01:	472
	Service Date	DTM02:	20060701	DTM02:	20060701	DTM02:	20060701
	Claim Adjustment Group Code	CAS01:	PR	CAS01:	PR	CAS01:	PR
	Claim Adjustment Reason Code	CAS02:	3	CAS02:	3	CAS02:	3
	Adjustment Amount	CAS03:	3.00	CAS03:	-3.00	CAS03:	3.00
	Claim Adjustment Group Code	CAS01:	CO	CAS01:	CO	CAS01:	CO
	Claim Adjustment Reason Code	CAS02:	90	CAS02:	90	CAS02/05:*	90/226*
	Adjustment Amount	CAS03:	1.00	CAS03:	-1.00	CAS03/06:*	1.00 /9.50*
	Code List Qualifier Code			LQ01:	HE	LQ01:	HE
	Remark Code			LQ02:	N199	LQ02:	N199

* = Used to indicate two separate data elements hence the CAS02/05 and CAS03/06.

3.2 PAYER AUDIT PARTIAL PAYMENT - X12N X12/005010X221A1 TRANSACTIONS

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NCPDP Payer Audit Reporting on the X12/005010X221A1 Health Care Claim Payment/Advice (835 Transaction)

The claim example⁶ below illustrate transaction sets where a payer makes full payment on a claim in cycle 1 and then sends a reversal and correction in a subsequent cycle (cycle 2) to indicate the claim is being partially paid as result of a payer audit. Note: Cycle numbers are used for reference purposes only. Actual payments may not occur on consecutive cycles.

Loop	Reference Designator Definition	Cycle 1 (Payment)		Cycle 2 (Reversal)		Cycle 2 (Correction)	
2100	Claim Submitter's Identifier	CLP01:	1234589	CLP01:	1234589	CLP01:	1234589
	Claim Status Code	CLP02:	1	CLP02:	22	CLP02:	1
	Total Claim Charge Amount	CLP03:	13.50	CLP03:	-13.50	CLP03:	13.50
	Claim Payment Amount	CLP04:	9.50	CLP04:	-9.50	CLP04:	6.00
	Patient Responsibility Amount	CLP05:	3.00	CLP05:		CLP05:	3.00
	Claim Filing Indicator Code	CLP06:	13	CLP06:	13	CLP06:	13
	Entity Identifier Code	NM101:	QC	NM101:	QC	NM101:	QC
	Entity Type	NM102:	1	NM102:	1	NM102:	1
	Patient Last Name	NM103:	Last	NM103:	Last	NM103:	Last
	Patient First Name	NM104:	First	NM104:	First	NM104:	First
	Identification Code Qualifier	NM108:	MI	NM108:	MI	NM108:	MI
	Patient Identifier	NM109:	987654321	NM109:	987654321	NM109:	987654321
2110	Composite Medical Procedure Code	SVC01:	N4	SVC01:	N4	SVC01:	N4
	Procedure Code	SVC01-2:	12345678901	SVC01-2:	12345678901	SVC01-2:	12345678901
	Line Item Charge Amount	SVC02:	13.50	SVC02:	-13.50	SVC02:	13.50
	Line Item Provider Payment Amount	SVC03:	9.50	SVC03:	-9.50	SVC03:	6.00
	Quantity	SVC05:	30	SVC05:	30	SVC05:	30
	Date Time Qualifier	DTM01:	472	DTM01:	472	DTM01:	472
	Service Date	DTM02:	20060701	DTM02:	20060701	DTM02:	20060701
	Claim Adjustment Group Code	CAS01:	PR	CAS01:	PR	CAS01:	PR
	Claim Adjustment Reason Code	CAS02:	3	CAS02:	3	CAS02:	3
	Adjustment Amount	CAS03:	3.00	CAS03:	-3.00	CAS03:	3.00
	Claim Adjustment Group Code	CAS01:	CO	CAS01:	CO	CAS01:	CO
	Claim Adjustment Reason Code	CAS02:	90	CAS02:	90	CAS02/05:*	90/226*
	Adjustment Amount	CAS03:	1.00	CAS03:	-1.00	CAS03/06:*	1.00/3.50*
	Code List Qualifier Code			LQ01:	HE	LQ01:	HE

⁶ Accredited Standards Committee X12, Insurance Subcommittee, X12N. "10.1.2 Data Use by Business Use" Health Care Claim Payment/Advice (835) 005010X221A1. Washington Publishing Company, Apr. 2006. <<http://www.wpc-edi.com>>.

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Loop	Reference Designator Definition	Cycle 1 (Payment)		Cycle 2 (Reversal)		Cycle 2 (Correction)	
	Remark Code			LQ02:	N199	LQ02:	N199

* = Used to indicate two separate data elements hence the CAS02/05 and CAS03/06.

4. REVISION HISTORY

1. March 2017 – Editorial updates to remove slashed zeros (Ø) and replace with zero (0). Also updated the copyright statement as revised 2016, the NCPDP logo and X12 name change from ASC X12 to X12.