

# REMITTANCE ADVICE:

*A Guide for Providers and Billers*



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## **1.0- INTRODUCTION TO REMITTANCE ADVICE**

### **1.1 What is a Remittance Advice?**

A report that details the explanation of a member's benefits to a provider for each claim (and claim line) included in a payment.

### **1.2 What are the uses for the Remittance Advice?**

- A provider uses the remittance advice to post payments and review claim adjustments.
- It contains specific claim decision information.
- Adjustment reasons and codes
- Review denied, paid, overpaid, and underpaid claims.

### **1.3 What are the different types of Remittance Advice?**

- Electronic Remittance Advice (ERA or 835 File) and Standard Paper Remittance Advice.

#### **⇒ Want an Electronic EOP 835?**

Please contact [netdev@icare-wi.org](mailto:netdev@icare-wi.org) or your Provider Contract Specialist

### **1.4 The importance of the Remittance Advice?**

- Independent Care Health Plan (*iCare*) payments are issued twice per week (Tuesday and Thursday) and are sent via paper check.
- Once payments have been generated, remittance advice (referred to as 'remits') is sent out to providers and explanations of benefits (EOBs) to members are generated.
- **Explanation of Benefits (EOB)** - Explains benefits provided to a member by identifying each line item paid on a claim.

#### ***iCare Lines of Business:***

- ❖ *iCare* Medicaid/SSI
- ❖ *iCare* Medicare Advantage Special Needs Plan (SNP)
- ❖ Care BadgerCare Plus
- ❖ *iCare* Family Care Partnership

## 2.0- COMPONENTS OF THE REMITTANCE ADVICE

### Independent Care Health Plan Explanation of Payment (EOP)

Servicing Provider Name: [REDACTED]		Servicing Provider NPI: [REDACTED]		Payee Name: [REDACTED]		Payee Provider: [REDACTED]		Payee Tax ID: [REDACTED]	
<b>Patient And Services Information</b>									
Patient Name: [REDACTED]		Member ID: [REDACTED]		DRG: [REDACTED]		Auth#: [REDACTED]			
Patient Control: [REDACTED]		Claim ID: [REDACTED]		Claim Explanation: [REDACTED]					

1. **Servicing Provider Name** - The name of the provider who performed the services. This may be the name of a doctor, a laboratory, a hospital, or other healthcare provider.
2. **Servicing Provider NPI** - National Provider Identification number of the provider who performed the services for the patient.
3. **Payee Name** - The person to whom money is to be, or has been, paid out to
4. **Payee Provider ID** - The identification PIN number assigned by Independent Care Health Plan (*iCare*).
5. **Payee Tax ID** - Taxpayer Identification Number (TIN) used by the Internal Revenue Service (IRS) in the administration of tax laws.
6. **Patient Name** - The name of the person who received the service. This may be also be a beneficiary or dependent.
7. **Member ID** - The identification number assigned by Independent Care Health Plan (*iCare*). This should match the number on the patient's insurance card.
8. **Claim ID** - The claim number is a unique number assigned to a claim. (Adjustment claim number/Reversal claim number).
9. **Patient Control Number** - Internal number the provider office uses to identify the patient in the office's billing records and computer system.
10. **DRG** (Diagnosis-related group) A system to classify hospital cases.
11. **Authorization** - This is required for all inpatient and outpatient specialty services.
12. **Claim Explanation** - A detailed breakdown of how the claim was processed.

## 2.1- READING AN REMITTANCE ADVICE

An Explanation of Payment (EOP) is generated after one or more claims are submitted. The EOP provides detailed information on claims paid, denied, or reserved for each applicable line of business. **Please note:** iCare charges a \$25.00 fee for additional EOPs.

### Payment Summary:

iCare's payment summary contains the payment date, check number, and the lines of business that were paid on the remittance advice.

- The payment summary will also show if any amounts were recovered.

Payment Summary	
Payment Date:	06/26/12
Check #:	524731
Badger Care:	\$0.00
Medicaid SSI:	\$1545.35
Medicaid Family Care Partnership:	\$0.00
Medicare Contracted:	\$0.00
Medicare Non-Contracted:	\$0.00
Amount Recovered:	\$0.00
Check Amount:	\$1,545.35

### Remit Example:

Here is a example of a BadgerCare Plus Remit.

Medicaid SSI			
INDEPENDENT CARE HEALTH PLAN - EXPLANATION OF PAYMENT			
Servicing Provider Name: [REDACTED]			
Servicing Provider NPI: [REDACTED]			
Payee Name: [REDACTED]	Payee Provider ID: [REDACTED]	Payee Tax ID: [REDACTED]	
<b>Patient And Services Information</b>			
Patient Name: [REDACTED]	Member ID: [REDACTED]	Auth #:	
Patient Control #: [REDACTED]	Claim ID: [REDACTED]	Claim Explanation:	

> *Highlighted area is detailed on next page.*

## **REMITTANCE ADVICE - EXPLANATION OF BENEFITS (EOB)**

Service	Dates of Service	Procedure or Revenue	Units	Amt Billed	Amt Allowed	Primary Payor Pmt	Patient Responsibility				Medicare Allowed	Medicare Paid	Interest Owed	Plan Payment	Reason Codes
							Copay	Co-Ins	Deduct	Not Cvr'd					
001	01/26/12-01/26/12	99213	1	\$160.00	\$30.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30.30	R217
<b>Claim Totals:</b>				\$160.00	\$30.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30.30	

**Label/number the terms defined below on the actual remit example above:**

1. **Service-** A service code used internally to identify the services provided to our members.
2. **Date of Service-** The date the insured was seen by a health care practitioner or given medical treatment.
3. **Procedure or Revenue-** Codes that describe a particular procedure. Also known as CPT codes. A code that represents a specific type of charge on a UB-04 claim.
4. **Units-** The number of units on the provider billed on the claim form.
5. **(Amount) Amt Billed-** It is the amount charged for each service performed by the provider.
6. **(Amount) Amt Allowed-** The maximum reimbursement the member's health policy allows for a specific service. It is the maximum dollar amount assigned for a procedure based on various pricing mechanisms.
7. **Primary Payer Amt (Amount)-** The payment from the primary payer, and then the balance is crossed over to the secondary if applicable.
8. **Co-pay-** The cost associated with receiving benefits or services from providers who are paid directly by members.
9. **Co-Ins-** The portion of covered healthcare costs for which the covered person has a financial responsibility, usually according to a fixed percentage. Often coinsurance applies after first meeting a deductible requirement.
10. **Deduct-** The amount of expensed that must be paid out of pocket before an insurer will pay any expenses.
11. **Not Cvr'd (Covered)-** Health care service that are not covered.
12. **Medicare Allowed-** This is the amount a provider that accepts assignment can be paid. The 80/20 Rule. It may be less than the actual amount a provider charges. Medicare pays part of this amount and the secondary is responsible for the difference.
13. **Medicare Paid-** The amount of your bill paid by Medicare.
14. **Interest Owed-** This is the amount owed if iCare fails to pay a claimant (provider or insured) within the time frames specified in the contract. We must pay a late payment adjustment equal to one percent of the amount due.
15. **Plan Payment-** Payment to a health care provider.
16. **Reason Codes-** They are used to communicate an adjustment or denial on a claim. It also corresponds why a claim or service line was paid differently than it was billed. If there is no adjustment to a claim/line, then there is no adjustment reason.

**2.2-TRACKING A NEGATIVE BALANCE/RECOUPMENT**

Payee Name: [REDACTED]				Payee Provider ID: [REDACTED]				Payee Tax ID: [REDACTED]							
<b>Patient And Services Information</b>															
Patient Name: [REDACTED]				Member ID: [REDACTED]		DRG:		Auth #:							
Patient Control #: [REDACTED]				Claim ID: [REDACTED]		Claim Explanation:									
Service	Dates of Service	Procedure or Revenue	Units	Amt Billed	Amt Allowed	Primary Payor Pmt	Patient Responsibility				Medicare Allowed	Medicare Paid	Interest Owed	Plan Payment	Reason Codes
							Copay	Co-Ins	Deduct	Not Cvr'd					
001	05/31/12-05/31/12	95811	1	\$625.00	\$175.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$175.89	R217
<b>Claim Totals:</b>				\$625.00	\$175.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$175.89	

The illustration above is an example of a provider with a negative balance/recoupment.

⇒ Please note that a negative balance/recoupment can be easily tracked by locating all previous remittances prior to the recoupment.

Below is the original check number and payment date of 6/26/2012 where the negative balance/recoupment is coming from.

<b>Payment Summary</b>	
Payment Date: 06/26/12	
Check #: 524731	
Badger Care: \$0.00	
Medicaid SSI: \$1545.35	
Medicaid Family Care Partnership: \$0.00	
Medicare Contracted: \$0.00	
Medicare Non-Contracted: \$0.00	
Amount Recovered: \$0.00	
Check Amount: \$1,545.35	

Payee Name: [REDACTED]				Payee Provider ID: [REDACTED]				Payee Tax ID: [REDACTED]							
<b>Patient And Services Information</b>															
Patient Name: [REDACTED]				Member ID: [REDACTED]		DRG:		Auth #:							
Patient Control #: [REDACTED]				Claim ID: [REDACTED]		Claim Explanation:									
Service	Dates of Service	Procedure or Revenue	Units	Amt Billed	Amt Allowed	Primary Payor Pmt	Patient Responsibility				Medicare Allowed	Medicare Paid	Interest Owed	Plan Payment	Reason Codes
							Copay	Co-Ins	Deduct	Not Cvr'd					
001	05/31/12-05/31/12	95811	1	\$625.00	\$175.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$175.89	R217
<b>Claim Totals:</b>				\$625.00	\$175.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$175.89	



On the remit below, payment date 7/5/2012 no check number, you can track the negative balance due to a claim reversal on the member claim that was paid on 6/26/2012.

Payment Summary
Payment Date: 07/05/12
Check #:
Badger Care: \$0.00
Medicaid SSI: \$-175.89
Medicaid Family Care Partnership: \$0.00
Medicare Contracted: \$0.00
Medicare Non-Contracted: \$0.00
Amount Recovered: \$0.00
Check Amount: \$0.00

Payee Name:		Payee Provider ID:				Payee Tax ID:										
Patient And Services Information																
Patient Name:				Member ID:		DRG:			Auth #:							
Patient Control #:				Claim ID:		Claim Explanation:										
Service	Dates of Service	Procedure or Revenue	Units	Amt Billed	Amt Allowed	Primary Payor Pmt	Patient Responsibility				Medicare Allowed	Medicare Paid	Interest Owed	Plan Payment	Reason Codes	
							Copay	Co-Ins	Deduct	Not Cvr'd						
001	05/31/12-05/31/12	95811	-1	\$-625.00	\$-175.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$-175.89	R217
<b>Claim Totals:</b>				\$-625.00	\$-175.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$-175.89	
<b>Provider Totals:</b>				\$-545.00	\$-161.90	\$15.92	\$0.00	\$0.00	\$0.00	\$0.00	\$19.91	\$15.92	\$0.00	\$-175.89		
<b>Grand Totals:</b>				\$-545.00	\$-161.90	\$15.92	\$0.00	\$0.00	\$0.00	\$0.00	\$19.91	\$15.92	\$0.00	\$-175.89		



On the remit below, you can track a denied claim on payment date 7/10/2012 no check number for the member claim that payment summary was paid on 6/26/2012.

Payment Summary	
Payment Date:	07/10/12
Check #:	
Badger Care:	\$0.00
Medicaid SSI:	\$0.00
Medicaid Family Care Partnership:	\$0.00
Medicare Contracted:	\$0.00
Medicare Non-Contracted:	\$0.00
Amount Recovered:	\$0.00
Check Amount:	\$0.00

Medicaid SSI															
INDEPENDENT CARE HEALTH PLAN - EXPLANATION OF PAYMENT															
Servicing Provider Name:		[REDACTED]													
Servicing Provider NPI:		[REDACTED]													
Payee Name:				Payee Provider ID:				Payee Tax ID:							
Patient And Services Information															
Patient Name:		Member ID:		DRG:		Auth #:									
Patient Control #:		Claim ID:		Claim Explanation:											
Service	Dates of Service	Procedure or Revenue	Units	Amt Billed	Amt Allowed	Primary Payor Pmt	Patient Responsibility				Medicare Allowed	Medicare Paid	Interest Owed	Plan Payment	Reason Codes
							Copay	Co-Ins	Deduct	Not Cvr'd					
001	05/31/12-05/31/12	95811	1	\$1250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	M0051
<b>Claim Totals:</b>				\$1250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Payee Name:				Payee Provider ID:				Payee Tax ID:							

Payment Reduction Summary For CURRENT Payment Run			
Negative Balance From Prior Payment Run	Credit From The BALANCE Of This Payment Run	Negative Balance At The End Of This Payment Run	Net Payment For Current Run
\$175.89	\$175.89	\$0.00	\$141.80

On the final remit below, check number 527367 payment date 7/12/2012 with the recoupment of \$175.89.

- The payment was recouped because of a billing error

<b>Payment Summary</b>	
<b>Payment Date:</b>	07/12/12
<b>Check #:</b>	527367
<b>Badger Care:</b>	\$0.00
<b>Medicaid SSI:</b>	\$317.31
<b>Medicaid Family Care Partnership:</b>	\$0.00
<b>Medicare Contracted:</b>	\$0.00
<b>Medicare Non-Contracted:</b>	\$0.00
<b>Amount Recovered:</b>	\$175.89
<b>Check Amount:</b>	\$141.80

**2.3 PAYMENT REDUCTION AND RECOVERY**

Plan	Amt Billed	Amt Allowed	Primary Payor Pmt	Patient Responsibility				Medicare Allowed	Medicare Paid	Interest Owed	Plan Payment
				Copay	Co-Ins	Deduct	Not Cvr'd				
Medicaid SSI	\$9830.00	\$588.82	\$1670.60	\$0.00	\$0.00	\$0.00	\$0.00	\$2088.28	\$1670.60	\$0.38	\$317.31
GRAND TOTAL:	\$9830.00	\$588.82	\$1670.60	\$0.00	\$0.00	\$0.00	\$0.00	\$2088.28	\$1670.60	\$0.38	\$317.31
GRAND TOTAL Amounts Recovered:											\$175.89

**2.4 INTEREST PAID ON A CLAIM**

Payee Name: [REDACTED]				Payee Provider ID: [REDACTED]				Payee Tax ID: [REDACTED]								
<b>Patient And Services Information</b>																
Patient Name: [REDACTED]				Member ID: [REDACTED]		DRG:		Auth #:								
Patient Control #: [REDACTED]				Claim ID: [REDACTED]		Claim Explanation:										
Service	Dates of Service	Procedure or Revenue	Units	Amt Billed	Amt Allowed	Primary Payor Pmt	Patient Responsibility				Medicare Allowed	Medicare Paid	Interest Owed	Plan Payment	Reason Codes	
							Copay	Co-Ins	Deduct	Not Cvr'd						
001	06/30/12-06/30/12	99233	1	\$310.00	\$97.10	\$0.00	\$0.00	\$19.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.14	\$77.68	R0102 R217
<b>Claim Totals:</b>				\$310.00	\$97.10	\$0.00	\$0.00	\$19.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.14	\$77.68	
<b>Provider Totals:</b>				\$310.00	\$97.10	\$0.00	\$0.00	\$19.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.14	\$77.68	

Plan	Amt Billed	Amt Allowed	Primary Payor Pmt	Patient Responsibility				Medicare Allowed	Medicare Paid	Interest Owed	Plan Payment
				Copay	Co-Ins	Deduct	Not Cvr'd				
Medicare Contracted	\$53322.00	\$8333.83	\$0.00	\$0.00	\$1632.05	\$115.53	\$0.00	\$0.00	\$0.00	\$0.14	\$6586.25
<b>GRAND TOTAL:</b>	\$53322.00	\$8333.83	\$0.00	\$0.00	\$1632.05	\$115.53	\$0.00	\$0.00	\$0.00	\$0.14	\$6586.25
<b>GRAND TOTAL Amounts Recovered:</b>											\$0.00

## 2.5 - COMMON REASON CODES

### REASON CODES:

D24	Duplicate Claim (Provider/Member/DOS)
R217	Processed According To Your Contract and/or State/CMS Fee Schedule Guidelines.
M0051	Duplicate Claim (Member/DOS)
R0102	Paid at contracted amount.
R0202	Deductible has been applied.
R203	Service is excluded from benefit plan.

### **3.0-CLAIMS INFORMATION**

**3.1 Claim Status Information-** Please call *iCare* Provider Services at 414-231-1029 / Toll free-1-877-333-6820 You may also e-mail us at [providerservices@iCare-wi.org](mailto:providerservices@iCare-wi.org)

#### **3.2 Claim Reconsideration**

⇒ Please send  
all  
Reconsiderations to:  
Independent  
Care Health  
Plan  
P.O. Box  
660346  
Dallas, TX  
75266-0346  
**ATTN:**  
**Operations**  
**Department**

⇒ Please send all  
Appeals to:  
Independent  
Care Health  
Plan  
Attn: Claims Appeal Unit  
1555 N. RiverCenter Dr., Suite 206  
Milwaukee, WI 53212-3979

**3.3 iCare Provider Portal-** Set up your account at [www.icare-wi.org/providers](http://www.icare-wi.org/providers) . To access the portal, please request a PIN number from *iCare*.

We will send the PIN to you through the mail as that is the most secure delivery method.

**3.4 For More Information-** Our website contains a link with our Provider Reference Manual, which contains helpful information for providers. You can access by also using this link: [www.icare-wi.org/providers](http://www.icare-wi.org/providers). Please refer to the website for updates on policy, procedures, and other important iCare news and information.