



Bureau of TennCare

IS Policy Manual

Last Revised--10/13/06

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| Policy No: BTC-Pol-Enc-200608-003 | |
| Subject: Claims Paid With Zero Paid Amount | |
| Approval: Encounter Policy Workgroup | Date: 10/13/2006 |

PURPOSE: To clarify TennCare's position regarding paid claims with zero in the paid amount field to the Managed Care Contractors (MCCs).

BACKGROUND INFORMATION: The Bureau of TennCare is undergoing an initiative to review the submission of encounter data in order to improve the data integrity and to more accurately reflect claims adjudication and payments by the MCCs. The presence of claim encounters with a zero paid amount is causing inconsistency in the reporting of amounts paid by the MCCs.

TENNCARE POLICY:

MCCs should not process or send TennCare claims with a paid status and a paid amount of zero at the header or detail level, except as provided below.

POLICY EXCEPTIONS:

The following claim scenarios can be processed by the MCCs and sent to TennCare with a paid status and a paid amount of zero, and should be supported by the appropriate adjustment reason code or codes:

- Claims paid at zero dollars due to the provider being capitated
- Claims paid at zero dollars after the TPL processing
- Claims paid at zero dollars when the contracted rate with the provider is zero

- Details paid at zero dollars as part of a global fee payment at detail level only (The claim header may have a paid amount while some details on the claim are paid at zero. The header amounts and detail amounts must still balance as stated in Policy BTC-Pol-Enc-200608-006)

REFERENCE DOCUMENTS:

TennCare HIPAA EDI Companion Guides

OFFICES OF PRIMARY RESPONSIBILITY:

- TennCare IS Division—to ensure that encounters are submitted to TennCare in the approved format
- Information Systems Management Contractor – to process encounters through the TCMIS system
- MCCs - to follow transaction requirements