

North Carolina Medicaid Special Bulletin

An Information Service of the
Division of Medical Assistance

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July 2017

**Attention:
All Providers**

Physician Medicare Crossover Claims Subject to Three Percent Rate Reduction

Issue: North Carolina Session Law 2013-360, subsequently modified by Session Law 2014-100, required a 3 percent rate reduction in 10 Medicaid and N.C. Health Choice services. The 3 percent rate reduction for physician services was implemented March 1, 2015, for current claims and going forward. The rate reduction was applied to a majority of previously paid claims over multiple checkwrites in early 2015. However, the Physician Medicare Crossover claims were not reprocessed during this time.

Action: The Physician Medicare Crossover claims will be reprocessed to apply the 3 percent rate reduction, and overpayments will be recouped.

*Providers are responsible for informing their billing agency of information in this bulletin.
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Timing: This claim reprocessing was originally planned to begin in April 2017. However, a number of reprocessed claims in the initial batch denied for edit 01760 - MISSING MEDICARE LINE OTHER PAYER INFORMATION. That edit will now be bypassed. Applicable Physician Medicare Crossover claims will be reprocessed over the next several weeks and will be reflected in the checkwrites between Aug. 15 and Sept. 26, 2017. (There will be one additional checkwrite cycle after analysis of the reprocessed claims. The date of the final checkwrite cycle has not yet been determined.)

Remittance Advice: Reprocessed claims will be displayed in a separate section of the paper Remittance Advice with a unique Explanation of Benefits (EOB) code 10301 – REPROCESSED FOR 3 PERCENT REDUCED PHYSICIAN RATE- MEDICARE CROSSOVER ONLY. The 835 electronic transactions will include the reprocessed claims along with other claims submitted for the checkwrite. (There is no separate 835.)

Important Reprocessing Information: Reprocessing does not guarantee payment for the claims. The overpayments on Physician Medicare Crossover claims will be recouped. Also, while some edits will be bypassed as part of the claim reprocessing, such as edit 01760, changes made to the system since the claims were originally adjudicated may apply to the reprocessed claims. Therefore, the reprocessed claims could deny.

If there are not sufficient funds from claims paid in the checkwrite to satisfy the recoupment of an overpayment, an Accounts Receivable (AR) will be created. Recoupment of the AR will begin with the subsequent NCTracks checkwrite and the recoupment process will continue on each checkwrite until the full amount due is recouped.

If funds are insufficient to collect the full amount due from the NPI for which the AR was generated, NCTracks will automatically seek to recoup the AR from other NPIs with the same Internal Revenue Service Taxpayer Identification Number. For more information about the AR process, see the [Feb. 29, 2016, announcement](#).

Additional Information:

- Medicaid Special Bulletin - [April 27, 2017](#)
- Medicaid Special Bulletins - [Feb. 20, 2015](#) and [April 2015](#)
- January 2014 Medicaid Bulletin (*3 Percent Rate Reduction*, page 3)
- [N.C. Session Laws 2013-360](#) and [2014-100](#)

Provider Reimbursement

DMA, 919-814-0060

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