Tips for Submitting Adjustments and Cancels for Home Health and Hospice Claims

Adjustments (type of bill XX7) to claims are made when the provider needs to change information on a previously processed claim. Billers can sometimes make keying mistakes that are not recognized as errors in the Medicare claims system or may mistakenly leave charges off the claim and adjustments may be needed in these situations.

A cancellation (type of bill XX8) of a claim may be necessary when an incorrect claim and/or date were submitted, an incorrect provider number was submitted, a duplicate payment was received, or another payer source should have been billed. All bill types can be cancelled (voided) except one that has been denied with full or partial medical denial.

For home health providers, Requests for Anticipated Payment (RAPs) **cannot** be adjusted. For hospice providers, the Notice of Election (NOE) **cannot** be adjusted. Incorrect RAPs and NOEs must be cancelled and resubmitted with the correct information.

Tips for submission of Adjustment and Cancel bills:

- The claim must process and appear on the Remittance Advice (RA) before an adjustment or cancellation can be made.
- Enter the document control number (DCN) of the claim to be adjusted. The DCN can be found on the RA.
  - The DCN is automatically present on a claim that has been submitted through Direct Data Entry (DDE).
- The third digit of the type of bill (frequency) will be a **"7"** for an adjustment or **"8"** for a cancellation.
- One condition code will be needed to indicate the primary reason for initiating an on-line claim adjustment or void/cancel. Valid adjustment/cancel condition codes may be found in the Direct Data Entry (DDE) Manual, Section 6 – Corrections. The DDE Manual is located at www.PalmettoGBA.com/RHHI, select Publications then select Manuals.
- For an adjustment, make the necessary changes to the items being corrected or additions.
- You will not make any corrections if you are canceling the claim.
- If using DDE, an Adjustment Reason Code (OT) must be entered on page 3.
- Enter "Remarks" explaining the reason for the adjustment OR cancellation in field locator (FL) 80 of the UB-04 or on page 4 of DDE.
- Submit the adjustment/cancellation bills using your vendor billing software, via the DDE system, or hard copy.
- When submitting a hard copy Adjustment/Cancel/Correction Request, there must be an explanation on the form explaining the reason for the change. Otherwise the form will be returned to the provider.
- A Hard Copy Claim Adjustment/Cancel/Correction Request Form may be found at www.PalmettoGBA.com/RHHI, select Forms. Mailing address and instructions are included on the form.

Note: You may not adjust or cancel a previously denied claim. A written request for redetermination must be submitted. The Redetermination Form may be found at www.PalmettoGBA.com/RHHI, select Forms.

References:

- Direct Data Entry (DDE) Manual. www.PalmettoGBA.com/RHHI, select Publications then select Manuals
- CMS Internet Only Manuals Publication 100-4, Medicare Claims Processing Manual, Chapter 10 for Home Health Providers and Publication 100-4, Chapter 11 for Hospice Providers.

Disclaimer: The information provided in this job aid was current as of 7/8/2009. Any changes or new information superseding the information in this job aid will be provided in articles, publications and publication dates after 7/8/2009 and will be posted at www.PalmettoGBA.com/rhhi.

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