Home Health & Hospice Adjustments/Cancels

Submitting an adjustment to, or cancellation of, a claim can be done electronically or by using the Direct Data Entry (DDE) system. In addition to the usual claim information, this job aid shows you what fields are required on the UB-04 and in DDE to adjust and cancel claims. For more information on adjusting or canceling claims, please review the DDE User's Guide (Section 5: Claims Correction).

Adjustment claims (type of bill XX7) are submitted when it is necessary to change information on a previously processed claim. The change must impact the processing of the original bill or additional bills in order for the adjustment to be performed. The claim being adjusted must be in a finalized status location (i.e., P B9997 or R B9997). If a claim in a P status has been reviewed by Medical Review, and has one or more line items denied, adjustments can be made to the **paid** line items. *Remember, adjustments cannot be made to any part of a denied line item on a partially paid claim.*

In addition, only rejected claims (R B9997) that have posted information to the Common Working File (CWF) should be adjusted. For example, a claim that rejected due to an open Medicare Secondary Payer (MSP) record or a home health date of service that overlaps a beneficiary's stay in an inpatient facility.

Home Health Notice of Admissions (NOAs) cannot be adjusted. Incorrect NOAs with an incorrect date of admission must be canceled and rebilled with the correct information. The home health agency may bill the corrected date of admission NOA immediately upon the error's discovery and prior to canceling the invalid NOA to reduce late NOA penalties, if applicable, but the erroneous NOA must still be canceled. A hospice election date on a Notice of Election (NOE) or a revocation date on a Notice of Termination/Revocation may be corrected.

Adjustment claims must include the following information, in addition to the usual field locators and information that you are adjusting:

Data	UB-04		DDE	
	Form Locator (FL)	Data	Field, DDE Page #	Data
Type of Bill	FL 4	3rd digit – 7 Home Health – 327 Hospice – 817 or 827	TOB Page 01	3rd digit – 7 (Automatically completed by DDE)
Claim Change Reason Code	FLs 18-28	Choose the claim change reason code that best describes the adjustment request: D0 Change dates of service D1 Change charges D2 Change revenue/HCPCS code D7 Change to make Medicare secondary D8 Change to make Medicare primary D9 Other/multiple changes* E0 Change patient status* *When D9 is used, an explanation of the adjustment must be included in the Remarks field (FL 80). Remember, only choose D9 when no other code applies as this will cause the claim to suspend for manual review.	COND CODE Page 01	D0 Change dates of service D1 Change charges D2 Change revenue/HCPCS code D7 Change to make Medicare secondary D8 Change to make Medicare primary D9 Other/multiple changes* E0 Change patient status* *When D9 is used, an explanation of the adjustment must be included in the Remarks field (FL 80). Remember, only choose D9 when no other code applies as this will cause the claim to suspend for manual review.

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Data	UB-04		DDE	
	Form Locator (FL)	Data	Field, DDE Page #	Data
Document Control Number	FL 64	Document Control Number (DCN) of claim being adjusted	DCN Page 01	DCN of claim being adjusted (automatically completed by DDE when using claim adjustments option 33 or 35)
Total Charges	FL 47	Enter changes to charges	TOT CHARGE Page 02	Not applicable unless adjusting a rejected claim. If rejected, all revenue code lines must be deleted and rekeyed to show charges as covered (TOT CHARGE field).
Adjustment Reason Code	N/A		ADJ REAS CODE Page 03	Valid adjustment reason codes can be found on Page 03 by typing "16" in the "SC" field in the upper-left corner of the screen and pressing [ENTER] twice to view the entire list of valid codes and descriptions.
Remarks	FL 80	Remarks indicating reason for adjustment (required when claim change reason code D9 is reported)	REMARKS Page 04	Remarks indicating reason for adjustment (required when claim change reason code D9 is reported)

Cancel claims/NOAs (type of bill XX8 and 32D) may be necessary when the incorrect provider number was submitted, an incorrect Medicare ID number was submitted, or a duplicate payment was received. Home health agencies may need to cancel NOAs for reasons such as removing a period from the CWF that was submitted and processed with an incorrect Health Insurance Prospective Payment System (HIPPS) code or service date on the 0023 line.

Claims/NOAs that need to be canceled must be in a finalized status/location (P B9997). Home health and hospice agencies must check DDE (Inquiry Option 12) to ensure the cancel has finalized prior to resubmitting the services to Medicare.

Cancel claims/NOAs must include the following information, in addition to the usual field locators:

Data	UB-04		DDE	
	Form Locator (FL)	Data	Field, DDE Page #	Data
Type of Bill	FL 4	3rd digit – 8 (D for NOAs) Home Health – 328 or 32D (NOAs) Hospice – 818 or 828	TOB Page 01	3rd digit – 8 (Automatically completed by DDE)
Claim Change Reason Code	FLs 18-28	D5 Cancel to correct provider or Medicare ID number D6 Cancel duplicate payment	COND CODE Page 01	D5 Cancel to correct provider or Medicare ID number D6 Cancel duplicate payment

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Data	UB-04		DDE	
	Form Locator (FL)	Data	Field, DDE Page #	Data
Document Control Number	FL 64	Document Control Number (DCN) of claim being canceled	DCN Page 01	DCN of claim being canceled (automatically completed by DDE when using claim adjustments option 53 or 55)
Adjustment Reason Code	N/A		ADJ REAS CODE Page 03	RI Cancel to correct provider or Medicare ID number RJ Cancel duplicate payment
Remarks	FL 80	Remarks indicating reason for cancel	REMARKS Page 04	Remarks indicating reason for cancel

Reopenings

Palmetto GBA performs the following types of reopenings:

- Claim correction
  - Beyond the claims timely filing limit
- Untimely filing
  - Rejected claims (R B9997) with reason code 39011
- 56900
  - Denials due to no medical review additional development request (ADR) documentation received by Palmetto GBA

Limitation on Recoupment (935) Overpayments

The limitation on recoupment (935), as required by Section 935 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) changes the process by which Palmetto GBA can recoup an overpayment resulting from a post-payment adjustment, such as a denial or MSP recovery. For more information, please review the Medicare Financial Management manual (Chapter 3, § 200).

Resources

- Refer to Section 5: Claims Correction of the DDE User's Guide for information on how to submit claim adjustments or cancellations using DDE
- Refer to Section 3: Inquiries of the DDE User's Guide for information on viewing claim information in DDE using Inquiry Option 12
- Medicare Claims Processing Manual (Chapter 1, § 130.1)
- Home Health and Hospice Claim Correction Reopenings (Scenarios and Coding Instructions for Submitting Requests to Reopen Claims that are Beyond the Claim Filing Time Frames)
- Home Health Providers
  - Refer to the Billing the Home Health Notice of Admission (NOA) job aid for information on how to cancel an NOA electronically
  - Refer to the Billing the Home Health Notice of Admission (NOA) via DDE job aid for information on how to cancel an NOA via DDE
  - Medicare Claims Processing Manual (Chapter 10, § 10.1.11)
- Hospice Providers
  - Refer to the Hospice Notice of Election (TOB 8XA) job aid for information on how to correct (adjust) an erroneous admission date on the NOE
  - Refer to the Hospice Notice of Cancellation (TOB 8XD) job aid for information on how to cancel an NOE/ hospice election