

# Understanding Offsets and Credit Balances

July 15, 2021

# Agenda

Thank you for participating in the HPP webinar on understanding offsets and credit balances on our Explanation of Payment (EOP) format.

Andrea Johnson, Manager of Claims Technical Support, will review HPP's EOP format during the webinar. Andrea will discuss best practices and how to accurately recognize and reconcile a credit balance and an offset as a result of overpayments received during claims adjudication.

# What is an Offset?

An Offset is created when a payment is returned to Health Partners Plans for payment received on specific claims.

A returned check is often accompanied with a letter explaining why the funds paid should be returned.


# What is a Credit Balance?

- A Credit Balance is the amount owed to Health Partners Plans as a result of claim payments/overpayments made to a provider. Once a claim is identified, it is retracted and a credit is formed.
- These credits are subtracted from each claim submitted afterward until the balance is satisfied.
- Prior to new system conversion, system limitations prevented a provider from receiving an Explanation of Payment (EOP) when in a credit balance.
- Our new claims processing system, Health Rules Payor (HRP) now allows for a provider to receive an EOP for all claims, even if in a credit balance.
- If the total credits exceed the amount owed, your EOP will show a payment of \$0.

# Understanding Offsets and Credit Balances

## Example 1: Forward Balance

- A “Forward Balance” claim that displays “FB” did not convert to Health Rules Payor (HRP) due to the provider already being in a credit balance prior to new system conversion.
- When an EOPs generates the “FB”, the HPP Claims team may need to supply the provider with a report to assist in reconciling.

Patient:			Insured:		<div style="border: 1px solid red; padding: 2px;">           Payer Claim #: MHS xfer Credit Balance            Group/Check Number: 50/164582         </div>						
Pat. Acct #:			Provider:								
DRG Code:			DRG Qty:								
1/1/00	1/1/00	FB	1	(2,830.67)	(2,830.67)	(2,830.67)	0.00	0.00	0.00	0.00	
1/1/00	1/1/00	FB	1	2,590.09	2,590.09	2,590.09	0.00	0.00	0.00	0.00	

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## Example 2: Patient Responsibility

- Identify patient responsibility and adjustment reason codes that impact the provider reimbursement.

Tax ID: 2      EPC Draft #: 0      Payment Week: 52      Payment Date: 12/29/2020      Page 1 of 3

Service Dates From To	Procedures (Modifier)	No. of Units	Amount Billed	Allowed	Payment	Patient Responsibility	Other Ins.Paid	Not Covered	Sequest-ration	Adjustment Reason
11/24/20 11/24/20	99203 25	1	231.00	127.66	82.66	45.00	0.00	103.34	0.00	CO45 PR3
11/24/20 11/24/20	81002	1	12.00	0.00	0.00	0.00	0.00	12.00	0.00	CO45 PI96 N216
11/24/20 11/24/20	81025	1	25.00	0.00	0.00	0.00	0.00	25.00	0.00	CO45 PI96 N216
<b>Total for Claim:</b>			268.00	127.66	82.66	45.00	0.00	140.34	0.00	

Administered by	Code	Description
HealthPartnersPlans	CO204	This service/equipment/drug is not covered under the patient's current benefit plan
	CO45	Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement. Usage: This adjustment amount cannot equal the total service or claim charge amount; and must not duplicate provider adjustment amounts (payments and contractual reductions) that have resulted from prior payer(s) adjudication. (Use only with Group Codes PR or CO depending upon liability)
	COB7	This provider was not certified/eligible to be paid for this procedure/service on this date of service. Usage: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present
	N216	We do not offer coverage for this type of service or the patient is not enrolled in this portion of our benefit package.
	PI96	Non-covered charge(s). At least one Remark Code must be provided (may be comprised of either the NCPDP Reject Reason Code, or Remittance Advice Remark Code that is not an ALERT.) Usage: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.
	PR2	Coinsurance Amount
	PR3	Co-payment Amount

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## Example 3: Complete EOP

Your name, [REDACTED], and Tax ID have been verified by the IRS.

Questions? Please contact Provider Service at (215) 991-4350 or Toll free (888)991-9023.

Payor ID:80142

Tax ID: [REDACTED] EPC Draft #: 0 Payment Week: 52 Payment Date: 12/29/2020 Page 1 of 3

Service Dates From To	Procedures (Modifier)	No. of Units	Amount Billed	Allowed	Payment	Patient Responsibility	Other Ins.Paid	Not Covered	Sequestration	Adjustment Reason
Patient: [REDACTED] Insured: [REDACTED] Payer Claim #: 2020 [REDACTED]		Pat. Acct [REDACTED] Provider: [REDACTED] Group/Check Number: 50/164582		DRG Code: [REDACTED] DRG Qty: [REDACTED]						
11/12/20 11/12/20	G0101	1	153.00	48.05	48.05	0.00	0.00	104.95	0.00	CO45
<b>Total for Claim:</b>			153.00	48.05	48.05	0.00	0.00	104.95	0.00	
Patient: I [REDACTED] Insured: [REDACTED] Payer Claim #: 2020 [REDACTED]		Pat. Acct # [REDACTED] Provider: [REDACTED] Group/Check Number: 50/164582		DRG Code: [REDACTED] DRG Qty: [REDACTED]						
11/24/20 11/24/20	99203 25	1	231.00	127.66	82.66	45.00	0.00	103.34	0.00	CO45 PR3
11/24/20 11/24/20	81002	1	12.00	0.00	0.00	0.00	0.00	12.00	0.00	CO45 PI96 N216
11/24/20 11/24/20	81025	1	25.00	0.00	0.00	0.00	0.00	25.00	0.00	CO45 PI96 N216
<b>Total for Claim:</b>			268.00	127.66	82.66	45.00	0.00	140.34	0.00	
Patient: I [REDACTED] Insured: [REDACTED] Payer Claim #: 2020 [REDACTED]		Pat. Acct # [REDACTED] Provider: [REDACTED] Group/Check Number: 50/164582		DRG Code: [REDACTED] DRG Qty: [REDACTED]						
12/1/20 12/1/20	99213 95	1	175.00	60.58	48.46	12.12	0.00	114.42	0.00	CO45 PR2
<b>Total for Claim:</b>			175.00	60.58	48.46	12.12	0.00	114.42	0.00	
Patient: I [REDACTED] Insured: [REDACTED] Payer Claim #: 2020 [REDACTED]		Pat. Acct # [REDACTED] Provider: [REDACTED] Group/Check Number: 50/164582		DRG Code: [REDACTED] DRG Qty: [REDACTED]						
7/2/20 7/2/20	99386 25	1	300.00	0.00	0.00	0.00	0.00	300.00	0.00	CO204 COB7 N216
7/2/20 7/2/20	99202	1	158.00	76.76	61.41	15.35	0.00	81.24	0.00	CO45 PR2
<b>Total for Claim:</b>			458.00	76.76	61.41	15.35	0.00	381.24	0.00	



# Understanding Offsets and Credit Balances

## Example 3: Complete EOP continued

Patient:		Insured:		Payer Claim #: MHS xfer Credit Balance							
Pat. Acct #:		Provider:		Group/Check Number: 50/164582							
DRG Code:		DRG Qty:									
1/1/00	1/1/00	FB	1	(2,830.67)	(2,830.67)	(2,830.67)	0.00	0.00	0.00	0.00	
1/1/00	1/1/00	FB	1	2,590.09	2,590.09	2,590.09	0.00	0.00	0.00	0.00	

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Tax ID: 2:		EPC Draft #: 0		Payment Week: 52		Payment Date: 12/29/2020		Page 2 of 3			
Service Dates From	To	Procedures (Modifier)	No. of Units	Amount Billed	Allowed	Payment	Patient Responsibility	Other Ins. Paid	Not Covered	Sequestration	Adjustment Reason
<b>Total for Claim:</b>				(240.58)	(240.58)	(240.58)	0.00	0.00	0.00	0.00	

Statement Summary	Amount Billed	Payment	Patient Responsibility	Other Ins. Paid	Not Covered
	813.42	0.00	72.47	0.00	740.95

**Explanations:**

Administered by	Code	Description
HealthPartnersPlans	CO204	This service/equipment/drug is not covered under the patient's current benefit plan
	CO45	Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement. Usage: This adjustment amount cannot equal the total service or claim charge amount; and must not duplicate provider adjustment amounts (payments and contractual reductions) that have resulted from prior payer(s) adjudication. (Use only with Group Codes PR or CO depending upon liability)
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	PR2	Coinsurance Amount
	PR3	Co-payment Amount





Thank you for your participation!

**QUESTIONS?**



Health Partners Plans

