



Sign Up for Electronic Fund Transfer (EFT) and Simplify the Payment Process

MDCH recommends that all providers, facilities and group practices convert to EFT to take advantage of its inherent benefits. The EFT process saves everybody time and money by cutting both the provider's and the payer's administrative costs. Accounts receivables clerks and bookkeepers will appreciate better receivables reporting in conjunction with Electronic Data Interchange (EDI) because it's completely integrated with electronic claims submission and electronic remittance advice posting. This gives providers a completely electronic method to manage accounts receivable. Business managers, owners, and Chief Financial Officers will especially enjoy the quicker receipt of payment that EFT provides and the convenience of having the money deposited directly into the business' bank account. Providers that wish to be paid via EFT will need to sign up for it on the Contract & Payment Express site. (<http://www.cpexpress.state.mi.us>).

Contact Info

Trading Partner Agreement
<https://tpa.mihealth.org>
Hotline: 1-800-215-8765

Michigan Medicaid
<http://www.michigan.gov/mdch>

mihealth.org Your Link to Michigan Health Resources
<http://www.mihealth.org>

Electronic Fund Transfer (EFT) Contract & Payment Express
<http://www.cpexpress.state.mi.us>

Get Ready for the New 835 Remittance Advice

In order to comply with the HIPAA transactions mandate, Medicaid will be changing how it submits its electronic Remittance Advice to service bureaus. The HIPAA compliant 835 RA will replace the proprietary electronic 1232 RA. This change will begin shortly after the Centers for Medicare and Medicaid Services (CMS) grace period expires.

What is an 835 RA?

The 835 Remittance Advice is the HIPAA compliant electronic transaction that provides payment detail for all claims (electronic and paper). It is the companion of the 837 claims transaction. To electronically cross-reference claims information, providers and service bureaus will soon be able to request to receive 835 RA transactions from MDCH.

Used to transfer payment and remittance information for adjudicated healthcare claims, only Paid and Denied claims can be reported in an 835 transaction using claim reason, remark codes. The 835 contains information about the payee (providers and/or their agents), the payer, amount, any identifying information regarding the payment, and detailed payment information including (if applicable) reasons why the total charges were not paid in full. Pended claim information will be transmitted via a 277 Unsolicited Claim Status (277U).

What are the Benefits of the 835?

Michigan Medicaid's 835 transaction provides important payment information. It is designed

for your service bureau to integrate it into your billing and accounting systems to allow easier remittance posting and reconciliation information. As part of Medicaid's effort to standardize its payment process, each 835 remittance advice transaction will be issued by tax identification number (TIN). This process will mirror Medicaid's payment issuance procedure. Providers that operate under one TIN will be issued a single remittance advice that will be consolidated first by tax identification number and then by provider identification number (PIN). The remittance advice will also correspond to the issued check and payment cycle completing the information loop.

What Providers Must Do to Receive an 835

Providers who choose to receive 835s must indicate one Unique Receiving Service Bureau (URSB). According to the HIPAA transaction rules, only one service bureau can receive an 835 for each payment. In cases where there is only one provider per tax identification number, the chosen Unique Receiving Service Bureau (URSB) can be indicated on the Trading Partners

Agreement (TPA) website during the TPA enrollment process (<https://tpa.mihealth.org>). In all other cases, MDCH will contact the TIN organization directly to determine what URSB will receive the provider's 835 RA.

MDCH encourages providers to find one full service clearing-house or service bureau that can process an inbound 835 RA and coordinate it with your accounts receivables reporting system. Providers will need to decide which service bureau or URSB to work with and be able to identify the chosen URSB by its service bureau ID number.

Providers that receive the current paper remittance advice should note that it will also change over the next six to nine months. The new paper RA will contain the same information as the electronic 835.

Michigan Department of Community Health



Jennifer M. Granholm, Governor
Janet Olszewski, Director