November 20, 2020

TO: All Providers

RE: Upcoming Changes to the 835 Electronic Remittance Advice

The Medicaid Agency is modifying the way claims are reported on the 835 Electronic Remittance Advice. These changes are to ensure compliance with the HIPAA X12 Standard for Claim Level balancing on the 835 transaction.

In order to assess the impact of these changes we request taking the following steps:

1. **Review the following summary on the upcoming changes:**
   The claim types listed below will now be reported at the header level (Claim Payment Information Loop 2100), with no detail level (Service Payment Information Loop 2110) data returned. Payments and adjustments will now be reported at the header level (Claim Payment Information Loop 2100).
   - Inpatient
   - Outpatient Crossover
   - Compound Pharmacy

   For all claim types, the Allowed Amount (AMT*B6) will continue to be reported in the 835 but for informational purposes only and should not be used when balancing claim payments and adjustments.

   For all other claim types, the structure of the claims will **NOT** change, but users may see some changes in adjustment amounts and CARC / RARC codes returned, to more accurately reflect claims pricing and ensure claim level balancing.

2. **Complete the below survey so we can better understand the impact of these changes.** We will use the survey results to help plan the testing and implementation timelines for the above changes.

   Note: If you are a provider who utilizes a third-party software vendor and/or clearinghouse to process Alabama Medicaid 835s, please communicate with them to assess the impact of these changes and complete the survey at: [https://www.surveymonkey.com/r/LJKD3RP](https://www.surveymonkey.com/r/LJKD3RP).

3. **Participate in 835 Electronic Remittance Advice Testing**
   A User Acceptance testing period will be provided. The Medicaid Agency requests that those who would like to participate in testing the modifications to the 835 transaction submit their contact information on the parties responsible for testing and implementation using the survey link above.

   We currently anticipate that User Acceptance testing will begin in mid-December through January. However, we will use input received in the survey to decide on time frames for the User Acceptance Test period and Production Implementation timeline. Additional communications regarding specific dates and requirements of testing will be provided at a later date.

   Providers with questions concerning the upcoming changes can submit them via the following email address: interChange_Testing@dxc.com