



Bureau of TennCare IS Policy Manual

REVISED – 09/09/2011

Policy No: BTC-Pol-Enc-201103-001	
Subject: CHOICES Patient Liability Rounding	
Approval: Encounter Data Policy Workgroup	Date: 04/14/2011

PURPOSE OF POLICY STATEMENT: To clarify the TennCare method of Patient Liability rounding on CHOICES encounters. This clarification enables the Managed Care Organizations to match the TennCare encounter calculation.

POLICY:

To ensure the MCOs are in alignment with TennCare member patient liability amounts reported on encounter transactions, this policy has been written to clarify the methodology TennCare uses in calculating the daily amount and finally, the encounter claim amount. If MCOs complete rounding to the second position to the right of the decimal after the daily rate has been calculated, the total patient liability on the encounter will match the shadow pricing calculation performed by the interChange system at TennCare.

Example of **correct** TennCare Patient Liability rounding calculation:

1. Monthly amount of patient liability = 1,889.85
2. There are 30 days in the month, therefore the monthly amount of \$1,889.85/30 days = \$62.995 per day which is rounded by the third decimal up to \$63.00
3. \$63.00 per day x 26 days = \$1,638.00 total patient liability on the encounter claim

Example of **incorrect** TennCare Patient Liability rounding calculation:

1. Monthly amount of patient liability = 1,889.85
2. There are 30 days in the month, therefore the monthly amount of \$1,889.85/30 days = \$62.995 per day
3. \$62.9995 per day x 26 days = \$1,637.87*

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*This results in a \$.13 variance causing an edit to set for equal to or greater than +/- \$.05 variance. If MCOs complete rounding at the end of the calculation, a greater than \$.05 variance is usually created setting edit 2069 - ADJ RSN CODE 142 AMT NOT EQUAL CALCULATED PAT LIAB. This is an informational edit which will be cited on the acceptance letter but will not cause a file to reject.

TennCare Information Systems is advising the MCOs by way of this policy to complete rounding of Patient Liability at the daily rate point, not the final calculation point. If rounding is completed at the end of the calculation, the MCOs are subject to Corrective Action Plans and Liquidated Damages for lack of compliance with this policy. The MCOs are not to perform the daily rate calculations when the claim being processed is for the entire month. In this instance, the monthly patient liability amount is to be applied to the claim in adjudication and reported on the encounter to TennCare.

Exceptions:

None

REFERENCE DOCUMENTS:

HIPAA Implementation Guides

<http://www.wpc-edi.com>

TennCare HIPAA EDI Companion Guides

<http://www.tn.gov/tenncare/HIPAA/leg-policies.html>

OFFICES OF PRIMARY RESPONSIBILITY:

- TennCare IS Division—to ensure that compliant encounter files are submitted to TennCare and ultimately accepted
- Information Systems Management Contractor – to process encounter files through the TCMIS system
- MCCs - to follow transaction requirements