Capture Billing
Medical Billing Services

Capture Billing & Consulting, Inc.
25055 Riding Plaza, Suite 160
South Riding, VA 20152
(703) 327-1800

What the New CMS-1500 Form Means for Your Practice

Updated Claim Form Requirement – Effective April 1, 2014

Are you prepared for the most recent round of medical billing changes on the horizon?

Set to officially begin April Fools' Day, this is anything but a joke. Because if you and your staff aren't on board, and quick, it can mean rejected or delayed claims and - you guessed it – lowered revenues.

So what's all the fuss about this time?

Introducing the new CMS-1500 Form, AKA Version 02/12 OMB control number 0938-1197. Sounds scary, right?

Beginning **April 1, 2014**, this will be *THE* paper claim form required by all federal payers and private payers alike. Even though today most claims are submitted electronically, there are still times when a paper claim is needed or required. And there are a handful of small insurance companies who still only accept paper. Plus, believe it or not, some practices have yet to make the transition to electronic filing and rely solely on paper forms.

In reality, any provider billing for services needs to be aware of these changes and take the steps necessary for compliance. We'll walk you through how below. But first, read why this change is required.

Why do we have to switch from CMS-1500 Version 08/05 to Version 02/12?

In the works since 2009, and headed by the NUCC, the reason for the revision is two-fold:

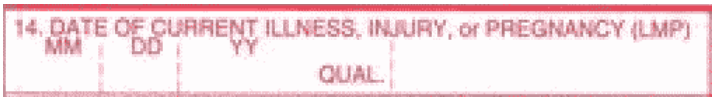
1. To accommodate reporting needs when **ICD-10** is implemented in **October 2014**.
2. To better align with the 5010 837P file used by providers for electronic claims filing.

What are some of the major changes to expect on Version 02/12?

It's never been more important, and perhaps more tricky, to submit a clean claim. Here's a sampling of some of the significant changes. Note that many are directly linked to proper qualifier usage.

Box #1 – Replaced Social Security Number (SSN) with ID #

Box #14 – Changed title to "DATE OF CURRENT ILLNESS, INJURY, or PREGNANCY (LMP)". Also added was "QUAL", a space to hold one of the 3-byte qualifiers below



431 – Onset of Current Symptoms or Illness

439 – Accident Date

454 – Initial Treatment Date

484 – Last Menstrual Period (LMP)

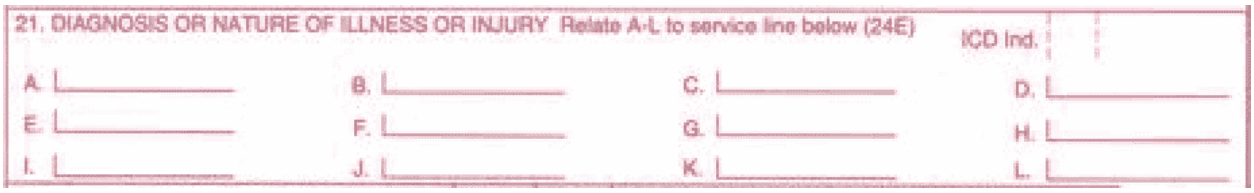
Box #17 – In order to identify the provider's role, a 2-byte qualifier must be entered.

DK – Ordering Provider (This is the only appropriate qualifier for DME claims.)

DN – Referring Provider

DQ – Supervising Provider

Box #21 – Expanded number of possible diagnosis code fields to 12 and added "ICD Ind" section to include one of the following 1-byte indicators.



9 – used for ICD-9 diagnosis code set

0 – used for ICD-10 diagnosis code set

Box #24E – The diagnosis pointer must reference the correct diagnosis code for each specific claim line. Entry should be a single letter (**A to L**).

*Valid qualifiers and complete instructions can be found in the 02/12 Instruction Manual.

How to prepare your practice and staff

Due to a dual use period, some providers began using Version 02/12 as early as January 2014. Payers are currently accepting both versions of the form for paper claims through March 31st. If you haven't yet tried out the new claim form, here are a few tips for making a smooth transition:

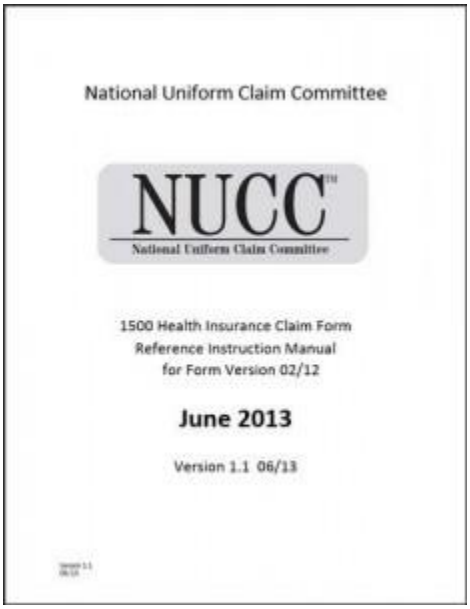
1. If you file paper claims, talk to your current forms vendor and order 02/12 forms ASAP. Or you can purchase forms directly from the AMA Store.
2. If you file electronic claims, contact your practice management system vendor to upgrade software as necessary.
3. Review any payer-specific instructions you receive and put processes in place to adhere to them.
4. If time permits, it's a good idea to conduct preliminary claims submission testing.
5. To help identify potential issues early, closely monitor how claims are being processed when you start using the new form.

Common mistakes to avoid

Should I go ahead and file my claims with ICD-10 codes? No. While the 1500 Claim Form has been updated, in part, due to the upcoming transition to ICD-10 codes in October 2014, you should continue billing with ICD-9 codes until otherwise notified by payers.

I am filing a claim on April 6, 2014. The date of service (DOS) is March 20, 2014? Which version should I use? Version 02/12. Regardless of DOS, if a claim is filed on or after April 1, 2014, Version 02/12 should be used, or the claim will be returned as unprocessable.

Additional references and resources



A list of what's changing between Version 08/05 and Version 02/12 Forms

A 63-page manual that outlines how to fill out the new claim form

Additional changes that have been made since the release of the manual above

Free resource offered by the AMA to help you understand the new form requirements

Tips for printing claims on the new form

So, in less than a week, these mandatory updates will take effect. Our staff is prepped and ready to go. **Are you?**

About the Author

Manny Oliverez

Manny Oliverez, CPC, is a 20-year healthcare veteran and the CEO and co-founder of Capture Billing, a medical billing services company located outside of Washington, D.C. He teaches the nation's physicians, administrators, and medical practices how to maximize billing and revenue cycle management processes. Manny also frequently posts articles and videos on his award-winning healthcare blog. For more information on Manny and his company, please visit his website, or call (703)327-1800. And if you're on LinkedIn, please look for him there too. **READ MORE**

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