Update: DRG Claims Denied with RAD Code 0314 May Be Reprocessed

May 26, 2016

A previously-published NewsFlash identified a claim processing issue that caused diagnosis-related group (DRG) claims to be erroneously denied with Remittance Advice Details (RAD) code 0314: Recipient is not eligible for the month of service billed. This issue has been resolved.

DRG providers may resubmit affected claims that were previously denied with RAD code 0314: Recipient is not eligible for the month of service billed and with admission dates on July 1, 2013, through April 25, 2016.

Resubmission claims must contain the following information to receive reimbursement:

- Appropriate type of bill
- Actual admission date and discharge date
- “Statement Covers Period From-Through” dates limited to the recipient’s fee-for-service eligibility dates
- Service and supplies incurred only during the recipient’s fee-for-service eligibility dates
- Diagnosis and procedure codes associated only to treatment provided during the recipient’s fee-for-service eligibility dates
- Appropriate delay reason code
  - Delay reason code “11" in Box 37 if the claim is submitted more than six months but fewer than 12 months from the date of admission
  - Delay reason code “10” in Box 37 if the claim is submitted more than 12 months from the date of admission
- The following statement in the Remarks field (Box 80): “DRG claim that previously denied with RAD code 0314”

Timeliness for resubmitted claims that meet the above criteria will be waived through October 16, 2016. Failure to follow the above instructions could result in denied or incorrectly-processed claims.