Payment Calculation: Carrier File and DME File

Notes:

1) **This is a guideline for payment calculations and may not apply under all payment models. Researchers should familiarize themselves with the Medicare Claims Processing Model for payment guidelines.**
2) **These Payment Calculation Worksheets may not apply to 'linked' Medicare utilization data files (e.g., SEER-Medicare linked data).**
3) **Some of these formulas do not apply for claims subject to sequestration. They are noted with an *. Required modifications are noted on the following page.**

	Claim level		**Line Item Level**	
	Version	**Payment Variable Available From the File**	Version	**Payment Variable Available from the File**
Payment Made by Medicare	J/K	Claim Payment Amount (SAS Short Name: PMT_AMT; Long: CLM_PMT_AMT) OR NCH Claim Beneficiary Payment Amount # (SAS Short Name: BENE_PMT; Long: NCH_CLM_BENE_PMT_AMT) + NCH Claim Provider Payment Amount (SAS Short Name: PROV_PMT; Long: NCH_CLM_PRVDR_PMT_AMT)	J/K	Line NCH Payment Amount (SAS Short Name: LINEPMT; Long: LINE_NCH_PMT_AMT) OR Line Beneficiary Payment Amount # (SAS Short Name: LBENPMT; Long: LINE_BENE_PMT_AMT) + Line Provider Payment Amount (SAS Short Name: LPRVPMT; Long: LINE_PRVDR_PMT_AMT)
Beneficiary Responsibility* (Amount due from beneficiary)	J/K	NCH Carrier Claim Allowed Charge Amount (SAS Short Name: ALOWCHRG, Long: NCH_CARR_CLM_ALOWD_AMT) - Claim Payment Amount (SAS alias: short: PMT_AMT, long: CLM_PMT_AMT) - Carrier Claim Primary Payer Paid Amount (SAS Short Name: PRPAYAMT, Long: CARR_CLM_PRMRY_PYR_PD_AMT)	J/K	Line Allowed Charge Amount (SAS Short Name: LALOWCHG, Long: LINE_ALOWD_CHRG_AMT) - Line NCH Payment Amount (SAS Short Name: LINEPMT, Long: LINE_NCH_PMT_AMT) - Line Beneficiary Primary Payer Paid Amount (SAS Short Name: LPRPDAMT, Long: LINE_BENE_PRMRY_PYR_PD_AMT)
Payment Made by Primary Payer other than Medicare	J/K	Carrier Claim Primary Payer Paid Amount (SAS Short Name: PRPAYAMT, Long: CARR_CLM_PRMRY_PYR_PD_AMT)	J/K	Line Beneficiary Primary Payer Paid Amount (SAS Short Name: LPRPDAMT, Long: LINE_BENE_PRMRY_PYR_PD_AMT)
Payment DUE to Provider*	J/K	NCH Carrier Claim Allowed Charge Amount (SAS Short Name: ALOWCHRG, Long: NCH_CARR_CLM_ALOWD_AMT)	J/K	Line Allowed Charge Amount (SAS Short Name: LALOWCHG, Long: LINE_ALOWD_CHRG_AMT)
Payment Made by Medicare TO the Beneficiary	J/K	NCH Claim Beneficiary Payment Amount# (SAS Short Name: BENE_PMT, Long: NCH_CLM_BENE_PMT_AMT)	J/K	Line Beneficiary Payment Amount# (SAS Short Name: LBENPMT, Long: LINE_BENE_PMT_AMT)

This variable is populated if, for example, a beneficiary pays for a service that should have been Medicare-covered. The beneficiary can be refunded the payment.

*Payment Calculation Modifications Needed Under Sequestration:

Note: Applies to payments from 4/2013 until the end of the Sequestration.

Per Medicare documentation, in general, Medicare fee-for-service claims with dates of service or discharge after April 1, 2013 will be subject to a 2% payment reduction from Medicare ONLY. Medicare beneficiary deductibles and copayments, as well as payments from secondary payers (e.g., Tricare), are not subject to the 2% reduction.

EXAMPLE

A Medicare beneficiary receives a covered Part B service after April 2013 with a Medicare allowed charge of $100. The beneficiary's annual deductible has already been met, so the provider would collect 20% (i.e., $20) coinsurance for the Medicare allowed amount. The beneficiary has no secondary payer. During sequestration, the payment from Medicare would be the remaining 80% (i.e., $80) subject to a 2% reduction, resulting in a final payment from Medicare of $78.40. The total payment to the provider is $98.20. See the table below for an illustration.

TABLE

Medicare Allowed Amount	$100
Medicare Beneficiary Coinsurance	($100*0.2)= $20
Primary Payer other than Medicare	$0
Medicare Payment to Provider	(($100*0.8)*0.98)= $78.40
Total Payment to Provider	($20+$78.40)= $98.40

Example Calculation Modifications for Claim-Level Payments:

1) **Beneficiary Responsibility**

ORIGINAL CALCULATION: ALOWCHRG - PMT_AMT – PRPAYAMT = Beneficiary Responsibility

CALCULATION MODIFICATION: ALOWCHRG – (PMT_AMT/0.98) – PRPAYAMT = Beneficiary Responsibility

2) **Payment DUE to Provider**

ORIGINAL CALCULATION: ALOWCHRG = Payment DUE to Provider

CALCULATION MODIFICATION: (ALOWCHRG*0.2) + PRPAYAMT + PMT_AMT = Payment to Provider
[i.e., Beneficiary Co-Insurance + Non-Medicare Primary Payer Amount + Medicare Payment DUE to Provider]