



Claim Scrubbing Guide

For Kareo Desktop Application (PM)

Updated: September 2022

Introduction

This guide is not all inclusive and does not explain all the rules and requirements for completing an encounter for claims billing. It is intended to provide you with best practices around claim scrubbing processes and a high-level understanding of the Kareo Desktop Application (PM) Claim Scrubbing feature that validates the combination of data presented on a health care claim. Also included are tables of example claim scrubbing results and messages for CMS-1500 (02/12) claims and UB-04 claims.

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Claim Scrubbing Best Practices

Claim scrubbing is a process of validating the combination of data presented or submitted on a health insurance claim. This validation revolves around the actual services performed by a practice and submitted to the payer. The data submitted on a claim is validated against such coding rules dictated by Medicare, Medicaid, National Correct Coding Initiative Edits and other standard coding rules. Claim errors are difficult to avoid but establishing a sound workflow, monitoring processes and following up on error resolution can increase successful claim submissions.

Kareo offers robust claim scrubbing, reducing rejections, denials and delays when submitting claims. The automated claim scrubbing feature is enabled by default. However, it can be disabled if the practice is not ready to implement claim scrubbing processes. For more information, review the *Encounter* section of the [Encounter Options](#) help article.

 Note: Delaying the implementation of the automated claim scrubbing feature and establishing best practices could mean the continued cost of denials, including the loss of revenue.

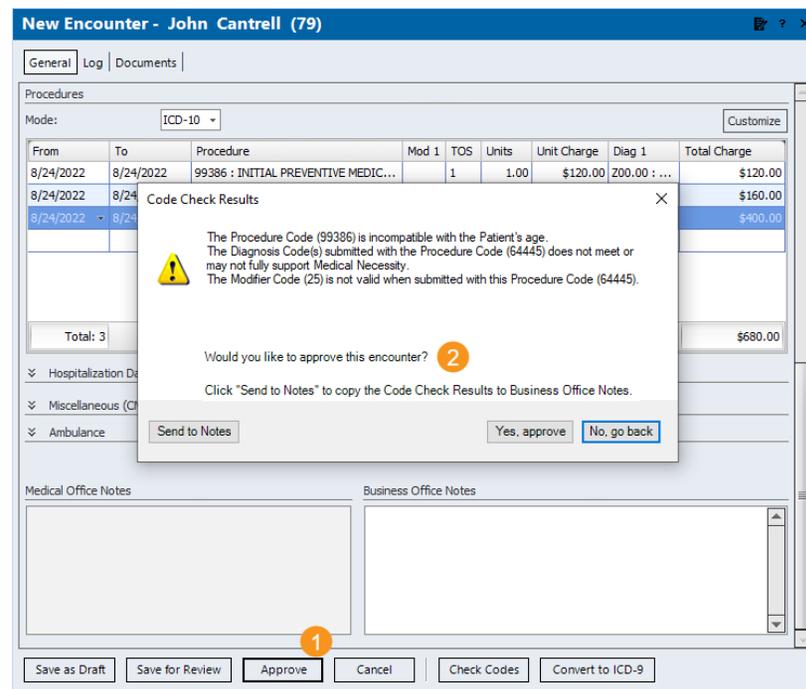
Claim Scrubbing Workflow

Prevent claim processing delays by establishing a standard claim scrubbing workflow for the practice that incorporates the following recommended steps when approving encounters. Spending a little extra time validating codes entered on the encounter can save considerable time and effort troubleshooting, correcting and resubmitting rejected and/or denied claims.

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Claim Scrubbing Workflow, cont.

- When ready to approve an encounter, click **Approve**. The claim scrubbing feature automatically checks the codes entered on the encounter.
 - If the automated claim scrubbing feature was disabled, click **Check Codes** to manually perform the code check prior to approving the encounter.
- If the *Code Checks Results* pop-up window displays, review the information then do one of the following:
 - To resolve the errors for the flagged codes, click **No, go back**. Then, make the appropriate corrections on the encounter and repeat steps 1-2 as necessary. For more information about how the results are determined, refer to the [Claim Scrubbing Examples](#) section.
 - To continue without making any changes as the flagged codes will not cause the claim to reject or deny, click **Yes, approve**. Then, submit the claim(s), as is, when ready.
 - To send the code check results to the *Business Office Notes* section of the encounter for further handling by another staff member, refer to the [Send Code Check Results to Notes](#) section.

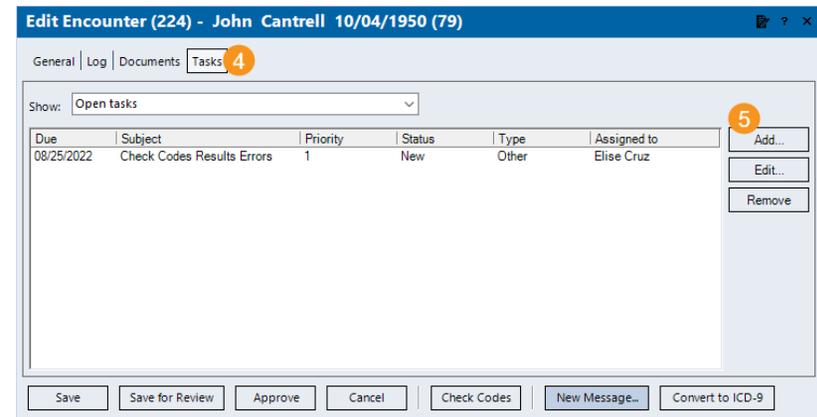
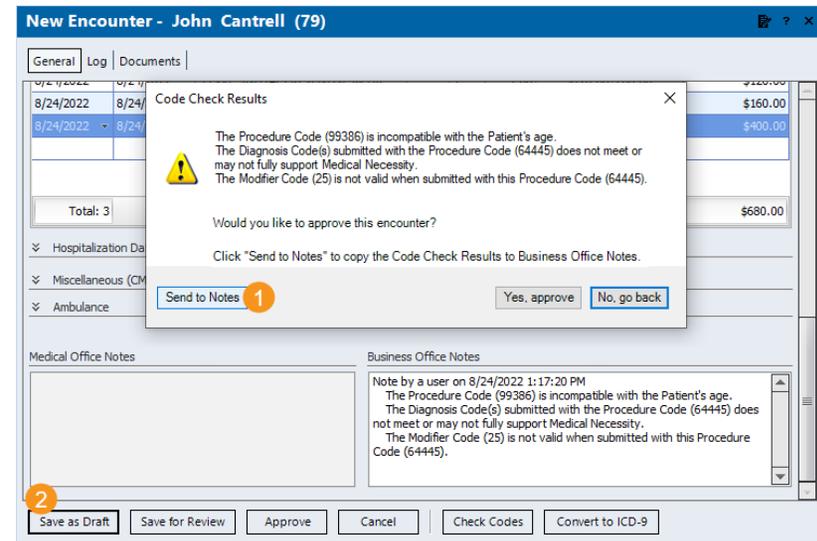


Send Code Check Results to Notes

Follow the steps below to send the code check results to the *Business Office Notes* section of the encounter for further handling by another staff member.

1. When the *Code Check Results* pop-up window displays upon encounter approval (or manually performed code check), click **Send to Notes**. The code check results display under the *Business Office Notes* section.
2. Click **Save as draft**. The *New Encounter* window closes.
3. Find and open the encounter again. The *Edit Encounter* window opens. For more information about how to find an encounter, review the *Find Encounter* section of the [Encounters](#) help article.
4. Select the *Tasks* tab. The *Tasks* options display.
5. Click **Add**. Then, create a new task for the staff member responsible for reviewing and correcting the coding errors. Once the new task is saved, it is listed under the *Open tasks* related to the encounter.

Note: The new task will also display under the assigned user's Dashboard *To Do List*. For more information about creating tasks, review the *New Task* section of the [Tasks](#) help article.

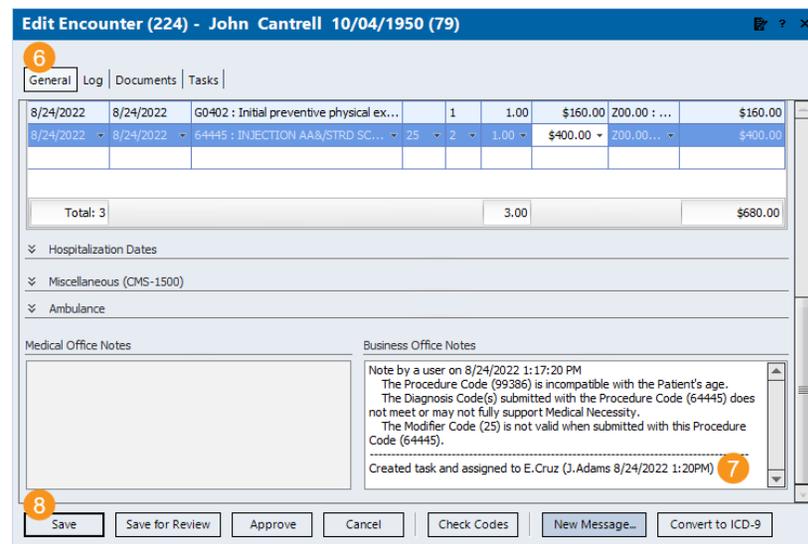


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Send Code Checks Results to Notes, cont.

6. Select the *General* tab. The general information of the encounter displays.
7. Under the *Business Office Notes* section, enter a note following the code check results indicating the task was created. It is recommended to include names and the current date and time for reference.
8. Click **Save**.

Once the staff member has completed the assigned task of resolving the coding errors, approve the encounter and submit the claim(s) when ready.



Edit Encounter (224) - John Cantrell 10/04/1950 (79)

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General | Log | Documents | Tasks

8/24/2022	8/24/2022	G0402 : Initial preventive physical ex...	1	1.00	\$160.00	200.00 : ...	\$160.00
8/24/2022	8/24/2022	64445 : INJECTION AA&STRD SC...	25	2	1.00	\$400.00	\$900.00
Total: 3			3.00				\$680.00

Hospitalization Dates
 Miscellaneous (CMS-1500)
 Ambulance

Medical Office Notes

Business Office Notes

Note by a user on 8/24/2022 1:17:20 PM
 The Procedure Code (99386) is incompatible with the Patient's age.
 The Diagnosis Code(s) submitted with the Procedure Code (64445) does not meet or may not fully support Medical Necessity.
 The Modifier Code (25) is not valid when submitted with this Procedure Code (64445).
 Created task and assigned to E.Cruz (J.Adams 8/24/2022 1:20PM) 7

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Save | Save for Review | Approve | Cancel | Check Codes | New Message... | Convert to ICD-9

Monitor Processes

Be sure to monitor the claim scrubbing processes to ensure the established workflow is being followed and errors are being resolved in a timely manner.

By using the Send to Notes and Tasks features, you can identify and monitor repetitive coding errors, thus enabling you to pinpoint any user/entry errors. When repetitive errors occur, follow up with staff directly to ensure those errors are minimized in the future and delays in claim submission are reduced.

Contacting Kareo Support

Should you need additional assistance with code scrubbing errors, please understand that Kareo Support is dedicated to helping with the Kareo application and Claim Scrubbing feature. Kareo Support can only determine if the feature is functioning properly or assist with the workflow and online resources as recommended in this guide. Assistance in the resolution of rejections is limited and coding recommendations cannot be provided because:

- Kareo Support agents are not Certified Professional Coders.
- Kareo Support agents were not part of the patient treatment and cannot determine what services were performed.
- Kareo Support agents are not privy to the actual condition of the patient or to other related information required to properly code services rendered.

Claim Scrubbing Examples

The Claim Scrubbing feature checks against various government coding standards and payer-specific insurance reimbursement rules. This includes:

- National and Local Coverage Determination (NCD/LCD) edits
- National Correct Coding Initiative (CCI) edits
- Current Procedural Terminology (CPT-4)/Healthcare Common Procedure Coding System (HCPCS) edits
- ICD-10-CM edits
- Revenue Code Validation
- State Medicaid edits

The following tables include example claim scrubbing results and messages for CMS-1500 (02/12) claims and UB-04 claims.

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Example Claim Scrubbing Results and Messages for CMS-1500 (02/12) Claims

CMS-1500 Code Check	Expected Validation Message	Comments & Solution Path
HCPCS valid or effective for the date of service?	The Procedure Code (12345) is invalid or expired for the date of service.	Verify if the payer still accepts the code or if a replacement code is now available. AMA (CPT4) or CMS (HCPCS Level II) maintains the procedure files and could provide guidance on the updated code(s).
HCPCS valid for patient's age?	The Procedure Code (12345) is incompatible with the Patient's age.	Confirm the code selected is the appropriate one for the patient's age.
HCPCS valid for patient's gender?	The Procedure Code (12345) is not appropriate with the Patient's gender.	Confirm the code selected is the appropriate one for the patient's gender.
Add-on Code?	The Procedure Code (12345) is defined as an add-on code.	Add-on codes are codes typically submitted to supplement or extend another procedure (e.g., additional time or units that are not represented in the primary code). <i>Note:</i> This is not an issue if the Primary Procedure is also included in this encounter. Verify with AMA (CPT4) or CMS (HCPCS Level II) for submission guidelines of add-on codes.
Medical Necessity (NCD/LCD)	The Diagnosis Code(s) submitted with Procedure Code (12345) does not meet or may not fully support Medical Necessity.	Check with the payer to verify approved patient conditions to submit the service. For Medicare/Medicaid patients, check the Intermediary websites for an online look-up of the actual policies associated with the procedure submitted. <i>Note:</i> The CMS website also provides a look-up tool, the MCD Search .

CMS-1500 Code Check	Expected Validation Message	Comments & Solution Path
CCI Edit – Unbundling (Comprehensive/Component)	<p><i>Example 1:</i> Code 12345 is a component of code 54321 and cannot be billed using any modifier.</p> <p><i>Example 2:</i> Code 12345 is a component of code 54321 but a modifier is allowed on 12345.</p>	<p>For more information on CCI Edits, visit the National Correct Coding Initiative Edits page of the CMS website.</p>
CCI Edit – Mutually Exclusive	<p><i>Example 1:</i> Code 12345 is mutually exclusive to code 54321 and cannot be billed using any modifier.</p> <p><i>Example 2:</i> Code 12345 is mutually exclusive to code 54321 but a modifier is allowed on 12345.</p>	<p>For more information on CCI Edits, visit the National Correct Coding Initiative Edits page of the CMS website.</p>
Duplicate HCPCS – Same DOS	<p>The Procedure Code (12345) is submitted more than once for the same date of service MM/DD/CCYY.</p>	<p>Duplication of procedure codes may not always be an issue since certain situations do require the same code to be submitted more than once on the same date of service.</p> <p>Confirm the code entered should be submitted more than once for the same date of service.</p>
ICD10 missing 4th/5th digit	<p>The Diagnosis Code (123) requires additional digit(s).</p>	<p>Confirm the selected code is the appropriate billable code.</p>
ICD10 Manifestation Code Validation	<p>The Diagnosis Code (123.45) is categorized as a Manifestation code.</p>	<p>By definition, a Manifestation code cannot be submitted as a Primary or Principal Diagnosis Code.</p> <p>Confirm the code is not designated as the Primary or Principal diagnosis code.</p>

CMS-1500 Code Check	Expected Validation Message	Comments & Solution Path
ICD10 Trauma Code Validation	The Diagnosis Code (123.45) is categorized as a Trauma code.	Confirm with the payer directly as the Trauma code may require additional information submitted to the payer for adjudication.
ICD10 valid for patient's age?	The Diagnosis Code (123.45) is incompatible with the Patient's age.	Confirm the code selected is the appropriate one for the patient's age.
ICD10 valid for patient's gender?	The Diagnosis Code (123.45) is not appropriate with this Patient's gender.	Confirm the code selected is the appropriate one for the patient's gender.
Modifier valid?	<p><i>Example 1:</i> The Modifier Code (12) submitted with Procedure Code (12345) is not a valid or active code for the date of service.</p> <p><i>Example 2:</i> The Modifier Code (12) is not valid when submitted with this Procedure Code (12345).</p>	Verify with AMA (CPT Modifiers) or CMS (HCPCS Modifiers) for current active codes and approved use of each modifier.

Example Claim Scrubbing Results and Messages for UB-04 Claims

UB-04 Code Check	Expected Validation Message	Comments & Solution Path
HCPCS valid or effective for the date of service?	The Procedure Code (12345) is invalid or expired for the date of service.	Verify if the payer still accepts the code or if a replacement code is now available. AMA (CPT4) or CMS (HCPCS Level II) maintains the procedure files and could provide guidance on the updated code(s).
HCPCS valid for patient's age?	The Procedure Code (12345) is incompatible with the Patient's age.	Confirm the code selected is the appropriate one for the patient's age.
HCPCS valid for patient's gender?	The Procedure Code (12345) is not appropriate with the Patient's gender.	Confirm the code selected is the appropriate one for the patient's gender.
Add-on Code?	The Procedure Code (12345) is defined as an add-on code.	Add-on codes are codes typically submitted to supplement or extend another procedure (e.g., additional time or units that are not represented in the primary code). <i>Note:</i> This is not an issue if the Primary Procedure is also included in this encounter. Verify with AMA (CPT4) or CMS (HCPCS Level II) for submission guidelines of add-on codes.
Invalid Revenue Code	The Revenue Code (0123) is invalid or expired for the date of service.	The primary source for the latest codes is via the National Uniform Billing Committee's (NUBC) Official UB-04 Data. For more information, visit the NUBC website . <i>Note:</i> Most payers including Medicare do provide a listing of the active Revenue Codes

UB-04 Code Check	Expected Validation Message	Comments & Solution Path
Revenue Code – HCPCS mismatch?	The Revenue Code (0123) is invalid when paired with this Procedure Code (12345).	<p>Confirm the Revenue Code entered is appropriate for the Procedure Code submitted.</p> <p>The primary source for the latest codes is via the National Uniform Billing Committee’s (NUBC) Official UB-04 Data. For more information, visit the NUBC website.</p> <p><i>Note:</i> Most payers including Medicare do provide a listing of the active Revenue Codes</p>
Medical Necessity (NCD/LCD)	The Diagnosis Code(s) submitted with this Procedure Code (12345) does not meet Medical Necessity.	<p>Check with the payer to verify approved patient conditions to submit the service.</p> <p>For Medicare/Medicaid patients, check the Intermediary websites for an online look-up of the actual policies associated with the procedure submitted.</p> <p><i>Note:</i> The CMS website also provides a look-up tool, the MCD Search.</p>
CCI Edit – Unbundling (Comprehensive/ Component)	CCI EDIT: The Procedure Code 12345 is a Component of Procedure Code 54321.	<p>Refer to CCI Edits for more details and whether a procedure modifier is allowed (and appropriate) to override this edit.</p> <p>For more information on CCI Edits, visit the National Correct Coding Initiative Edits page of the CMS website.</p>
CCI Edit – Mutually Exclusive	CCI EDIT: The Procedure Code 12345 is Mutually Exclusive to Procedure Code 54321.	<p>Refer to CCI Edits for more details and whether a procedure modifier is allowed (and appropriate) to override this edit.</p> <p>For more information on CCI Edits, visit the National Correct Coding Initiative Edits page of the CMS website.</p>

UB-04 Code Check	Expected Validation Message	Comments & Solution Path
Duplicate HCPCS – Same DOS	The Procedure Code (12345) is submitted more than once for the same date of service (MM/DD/CCYY).	<p>Duplication of Procedures Codes may not be an issue since certain situations do require the same code to be submitted more than once on the same Date of Service.</p> <p>Confirm the code entered should be submitted more than once for the same date of service.</p>
Diagnosis Validation	The Diagnosis Code (123.45) is invalid or expired for the date of service.	<p>Verify if the payer still accepts the code or if a replacement code is now available.</p> <p>CMS provides the updated ICD10 files and could provide guidance on the updated code(s).</p>
ICD10 Trauma Code Validation	The Diagnosis Code (123.45) is categorized as a Trauma code.	Confirm with the payer directly as the Trauma code may require additional information submitted to the payer for adjudication.
ICD10 missing 4th/5th digit	The Diagnosis Code (123) requires additional digit(s).	Confirm the selected code is the appropriate billable code.
ICD10 Manifestation Code Validation	The Diagnosis Code (123.45) is categorized as a Manifestation code.	<p>By definition, a Manifestation code cannot be submitted as a Primary or Principal Diagnosis Code.</p> <p>Confirm the code is not designated as the Primary or Principal Diagnosis Code.</p>
ICD10 valid for patient’s age?	The Diagnosis Code (123.45) is incompatible with the Patient’s age.	Confirm the code selected is the appropriate one for the patient’s age.
ICD10 valid for patient’s gender?	The Diagnosis Code (123.45) is not appropriate with this Patient’s gender.	Confirm the code selected is the appropriate one for the patient’s gender.

UB-04 Code Check	Expected Validation Message	Comments & Solution Path
Modifier valid?	<p><i>Example 1:</i> The Modifier Code (12) submitted with Procedure Code (12345) is not a valid or active code for the date of service.</p> <p><i>Example 2:</i> The Modifier Code (12) is not valid when submitted with this Procedure Code (12345).</p>	Verify with AMA (CPT Modifiers) or CMS (HCPCS Modifiers) for current active codes and approved use of each modifier.

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Kareo University

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Guides

Review the Billing section of the [User Guides](#) page for additional resources to help set up your billing company for success.



Kareo is the leading cloud-based complete medical technology platform purpose-built to meet the unique needs of independent practices in more than 45 specialties.

Today Kareo helps over 75,000 providers in all 50 states run more efficient and profitable practices, while delivering outstanding patient care. The Kareo technology platform is the first to help independent practices find more patients, manage their care with a fully certified and easy-to-use EHR, and get paid quickly all in one complete and integrated package.

Kareo has received extensive industry recognition, including the Deloitte Technology Fast 500, Inc. 5000, and Black Book's #1 Integrated EHR, Practice Management and Medical Billing vendor, as well as ranking at the top of the Leader Quadrant in the FrontRunners Software Analysis of EHR. Kareo's growth further demonstrates the expansion and vitality of the independent practice market in the U.S. With offices across the country, Kareo's mission is to help independent practices succeed in an ever-changing healthcare market. More information can be found at www.kareo.com or by calling 888-775-2736.