

A p p e n d i x

D

1. Calculate the adjusted claim level new payable amount:
Fund prior paid - Credit = New payable amount

2. Use the prior paid service line payable amounts to reach the new payable amount. On the line of service where the new payable amount is reached, the recalibration process is performed.
 - If the coinsurance and deductible amounts are going to be maintained the same as the original entry, only steps 1 and 2 are executed. (example A)

 - Recalibration can not be executed on a line of service where more dollars are going to be paid than were paid on the original entry. (example B)

 - If the coinsurance and deductible amounts are going to be modified, five steps should be executed. (example C)

Balancing Fields	
Total charge (A)	
Ineligible (B)	
Eligible (C)	= A - B
Discount % (D)	= C * D%
Discounted Eligible (E)	= C - D
Deductible (F)	
Coinsurance % (G)	= E * G %
Payable (H)	= (E - G)

5 Step Process:

1. $E = [H \div (100\% - G\%)] + F + G$

2. $C = E \div (100\% - D\%)$

3. $D = C * D\%$

4. "B" = A - E (this "B" is a temporary calculation)

5. B = "B" - D (this B is the actual ineligible)

**Example A
Deductible is maintained**

Original disposition with an interim discount of 29%

Service Line	1	2	Totals
Total Charge	\$179.50	\$116.00	\$295.50
Ineligible Amount			
Eligible Amount	\$179.50	\$116.00	\$295.50
Discount	\$52.05	\$33.64	\$85.69
Deductible		\$59.81	\$59.81
Coinsurance			
Savings (All)			
Payable	\$127.45	\$22.55	\$150.00

Balanced adjustment:

Prior paid amount: \$150.00

Credit amount: \$116.00

Current payable: \$34.00

The \$116.00 credit is applied to line one and recalibration is executed

$\$150.00 - \$127.45 = \$11.45$

Service Line	1	2	Totals
Total Charge	\$179.50	\$116.00	\$295.50
Ineligible Amount	\$163.37		\$163.37
Eligible Amount	\$16.13	\$116.00	\$132.13
Discount	\$4.68	\$33.64	\$38.32
Deductible		\$59.81	\$59.81
Coinsurance			
Savings (All)			
Payable	\$11.45	\$22.55	\$34.00

Known values: Payable is \$11.45 on line 1 where the credit is used up -- H

Discount % is 29% -- D

The payable amount can be divided by the reciprocal of 29% (71%) to calculate the new eligible amount.

$$\$11.45 \div 71 = \$16.13 \text{ (new eligible)}$$

$$\$16.13 * .29 = \$4.68 \text{ (discount amount)}$$

Example B
Service line new payable is greater than prior paid

See original disposition on page 2.

Prior paid amount: \$150.00
 Credit amount: \$116.00
 Current payable: \$34.00

Service Line	1	2	Totals
Total Charge	\$179.50	\$116.00	\$295.50
Ineligible Amount	\$179.50	\$16.13	
Eligible Amount		\$99.87	
Discount		\$28.96	
Deductible		\$59.81	
Coinsurance			
Savings (All)			
Payable		\$34.00	\$34.00

Known values: Payable is \$34.00 -- H
 Discount % is 29% -- D
 Deductible amount -- \$59.81

$$E = \$34.00 + \$59.81 = \$93.81$$

$$C = \$93.81 \div .71 = \$132.13$$

$$D = \$132.13 * .29 = \$38.32$$

$$\text{"B"} = \$116.00 - \$93.81 = \$22.19$$

$$B = \$22.19 - \$38.32 = -\$16.13$$

The outcome is negative therefore recalibration has to be on line one.

Example C
Deductible is maintained and coinsurance is recalculated

Original disposition with an interim discount of 29%

Service Line	1	Totals
Total Charge	\$250.00	\$250.00
Ineligible Amount		
Eligible Amount	\$250.00	\$250.00
Discount	\$72.50	\$72.50
Deductible	\$10.00	\$10.00
Coinsurance	\$16.75	\$16.75
Savings (All)		
Payable	\$150.75	\$150.75

Prior paid amount: \$150.75

Credit amount: \$50.75

Current payable: \$100.00

Service Line	1	Totals
Total Charge	\$250.00	\$250.00
Ineligible Amount	\$79.42	\$79.42
Eligible Amount	\$170.58	\$170.58
Discount	\$49.47	\$49.47
Deductible	\$10.00	\$10.00
Coinsurance	\$11.11	\$11.11
Savings (All)		
Payable	\$100.00	\$100.00

Known values: Payable is \$100.00 -- H
 Discount % is 29% -- D
 Deductible amount -- \$10.00 -- F
 Coinsurance -- 10%

$$E = (\$100.00 \div .90) + \$10.00 = \$121.11$$

$$C = \$121.11 \div .71 = \$170.58$$

$$D = \$170.58 * .29 = \$49.47$$

$$\text{“B”} = \$250.00 - \$121.11 = \$128.89$$

$$B = \$128.89 - \$49.47 = \$79.42$$