

# PACE CLAIMS PROCESSING SYSTEM

## Complete Processing Log - COB Exception Demo

Single Exception: Undisclosed Medicare Coverage

Medicare Secondary Payer (MSP) Rule Resolution

Claim ID	CLM-2024-1202-792468
Patient	Robert J. Anderson (DOB: 03/15/1957, Age 67)
Member ID	UHC-7924681
Medicare Number	1EG4-TE5-MK72 (Discovered via HETS)
Service Date	December 2, 2024
Procedures	CPT 99214 (Office Visit) + CPT 93000 (EKG)
Diagnosis	I10 - Essential Hypertension
Billed Amount	\$450.00
Provider	Austin Cardiology Associates (NPI: 1357924680)
Employer	Anderson & Associates CPA (15 employees)
Processing Start	2024-12-02 10:30:00.000 UTC
Processing End	2024-12-02 10:30:11.100 UTC
Total Processing Time	11.100 seconds
Exception Type	COB - Undisclosed Medicare (MSP Rule)
Exception Resolution	Automated via HETS Query (3.8 seconds)
Final Status	DENIED - Bill Medicare First

### Processing Summary by Step:

Step	Name	Duration	Status	Notes
1	Claim Ingestion & Data Normalization	1.100s	✓ Complete	Clean EDI, digital note
2	Eligibility Verification	1.200s	✓ Complete	COB flag raised (age 67)
3	Provider Validation	1.100s	✓ Complete	All in-network
4	Clinical Review	1.400s	✓ Complete	Medically necessary
5	Pricing (Preliminary)	1.300s	⏸ Pending	Awaiting COB determination
6	Coordination of Benefits	3.800s	⚠ EXCEPTION	Medicare Primary via HETS
7	Denial & Remittance	1.200s	✓ Complete	CARC OA-23, RARC N218

STEP 1: CLAIM INGESTION & DATA NORMALIZATION

Status: ✓ COMPLETE | Processing Time: 1.100 seconds | Exceptions: 0

EDI 837P received. All SNIP validations passed. Digital clinical note processed. Age flag noted for COB verification.

Timestamp	Level	Component	Action	Details	Duration
10:30:00.000	INFO	EDI-Receiver	File Received	ANDERSONCPA_837P_20241202_103000.edi via Availity	—
10:30:00.025	INFO	EDI-Receiver	Checksum Validation	MD5: c9d5e2f1a6b7c8d9e0f1a2b3c4d5e6f7 verified	25ms
10:30:00.080	SUCCESS	SNIP-Engine	Type 1-3 Validation	EDI integrity, structure, control balancing - passed	55ms
10:30:00.160	SUCCESS	SNIP-Engine	Type 4-5 Validation	CPT 99214, 93000, ICD I10 - valid codes	80ms
10:30:00.220	SUCCESS	SNIP-Engine	Type 6 Validation	UHC payer rules - passed	60ms
10:30:00.280	INFO	EDI-Parser	Parsing Started	Extracting data from 30 EDI segments	60ms
10:30:00.400	INFO	EDI-Parser	Patient Demographics	ANDERSON, ROBERT J, DOB: 03/15/1957 (Age 67)	120ms
10:30:00.500	WARNING	EDI-Parser	Age Flag	Patient age 67 - Medicare-eligible. COB flag set.	100ms
10:30:00.650	INFO	EDI-Parser	Service Lines	2 lines: 99214 (\$250), 93000 (\$200) = \$450 total	150ms
10:30:00.800	SUCCESS	EDI-Parser	Parsing Complete	Claim object: CLM-2024-1202-792468	150ms
10:30:00.900	INFO	Attachment-Svc	Clinical Note	Digital office note attached (not scanned)	100ms
10:30:01.000	INFO	Normalizer	Data Normalization	Names, dates, codes standardized	100ms
10:30:01.100	SUCCESS	Ingestion-Svc	Step 1 Complete	Claim ingested. COB flag active for Step 6.	100ms

STEP 1 RESULT: Claim ingested. Patient age 67 flagged for Medicare eligibility check in Step 6.

STEP 2: ELIGIBILITY VERIFICATION

Status: ✓ COMPLETE (COB Flag Raised) | Processing Time: 1.200 seconds | Exceptions: 0

Member verified eligible under UHC. Employer size (15) noted. COB flag raised for MSP rule evaluation.

Timestamp	Level	Component	Action	Details	Duration
10:30:01.100	INFO	Eligibility-Svc	Query Initiated	Member: UHC-7924681, DOB: 1957-03-15, DOS: 2024-12-02	—
10:30:01.200	INFO	Facets-API	Connection	Connected to Facets Membership Module v12.4	100ms
10:30:01.350	SUCCESS	Facets-API	Member Found	ANDERSON, ROBERT J - record verified	150ms
10:30:01.450	SUCCESS	Eligibility-Svc	DOB Verified	Claim DOB matches member record	100ms
10:30:01.550	SUCCESS	Eligibility-Svc	Coverage Active	Plan: Choice Plus PPO, Group: ACPA2024	100ms
10:30:01.650	INFO	Eligibility-Svc	Employer Lookup	Anderson & Associates CPA - 15 employees	100ms
10:30:01.750	WARNING	COB-Flag-Svc	MSP Alert	Age 67 + Employer <20 = Medicare may be primary	100ms
10:30:01.850	INFO	Eligibility-Svc	Benefits Retrieved	Ded: \$1000 (\$250 remaining), Coins: 80/20	100ms
10:30:01.950	INFO	Eligibility-Svc	Service Coverage	99214, 93000 covered subject to ded/coins	100ms
10:30:02.100	INFO	Duplicate-Chk	History Search	No duplicate claims found	150ms
10:30:02.200	INFO	COB-Flag-Svc	Flag Set	COB-FLAG-001: MSP verification required Step 6	100ms
10:30:02.300	SUCCESS	Eligibility-Svc	Step 2 Complete	Eligible. COB flag active.	100ms

STEP 2 RESULT: Member eligible under UHC. COB FLAG RAISED: Patient 67yo, employer 15 employees (<20). MSP rule check deferred to Step 6.

STEP 3: PROVIDER VALIDATION

Status: ✓ COMPLETE | Processing Time: 1.100 seconds | Exceptions: 0

All providers validated via NPPES. Both billing and rendering providers are in-network. No NSA flags.

Timestamp	Level	Component	Action	Details	Duration
10:30:02.300	INFO	Provider-Svc	Validation Started	2 providers: Billing, Rendering	—
10:30:02.400	INFO	NPPES-API	NPI Lookup: Billing	Query NPI 1357924680 (Austin Cardiology)	100ms
10:30:02.550	SUCCESS	NPPES-API	NPI Valid	Type 2 (Org), Active, Taxonomy 207RC0000X	150ms
10:30:02.700	SUCCESS	Network-Svc	IN-NETWORK	Contract UHC-ACA-2023-892 active	150ms
10:30:02.800	INFO	NPPES-API	NPI Lookup: Rendering	Query NPI 1928376540 (Chen, David W MD)	100ms
10:30:02.950	SUCCESS	NPPES-API	NPI Valid	Type 1 (Individual), Active, Cardiology	150ms
10:30:03.100	SUCCESS	Network-Svc	IN-NETWORK	Participating under facility contract	150ms
10:30:03.200	INFO	Credential-Svc	License Check	TX medical licenses active for all	100ms
10:30:03.300	INFO	NSA-Engine	NSA Check	All in-network - NSA not applicable	100ms
10:30:03.400	SUCCESS	Provider-Svc	Step 3 Complete	All providers valid and in-network	100ms

STEP 3 RESULT: All providers validated and in-network. Standard fee schedule will apply.

STEP 4: CLINICAL REVIEW (MEDICAL NECESSITY)

Status: ✓ COMPLETE | Processing Time: 1.400 seconds | Exceptions: 0

Services reviewed for medical necessity. Office visit and EKG appropriate for hypertension management. No LCD restrictions.

Timestamp	Level	Component	Action	Details	Duration
10:30:03.400	INFO	Clinical-Svc	Review Started	Evaluating 99214, 93000 with DX I10	—
10:30:03.550	INFO	CES-Engine	Service Classification	E&M Office Visit + Diagnostic EKG	150ms
10:30:03.700	INFO	CES-Engine	CPT-Dx Validation	99214 + I10 = Valid combination	150ms
10:30:03.850	INFO	CES-Engine	CPT-Dx Validation	93000 + I10 = Valid (cardiac eval for HTN)	150ms
10:30:04.000	INFO	Policy-Engine	LCD Check	No LCD restrictions for 99214, 93000	150ms
10:30:04.150	INFO	Policy-Engine	NCD Check	No NCD restrictions apply	150ms
10:30:04.300	INFO	Policy-Engine	Frequency Check	No frequency limits exceeded	150ms
10:30:04.450	INFO	Auth-Engine	Prior Auth Check	Not required for E&M or EKG	150ms
10:30:04.600	SUCCESS	Clinical-Svc	Medical Necessity	Both services medically necessary	150ms
10:30:04.800	SUCCESS	Clinical-Svc	Step 4 Complete	All services approved	200ms

STEP 4 RESULT: Medical necessity confirmed for office visit and EKG. Services appropriate for hypertension management.

STEP 5: PRICING & ADJUDICATION (PRELIMINARY)

Status: II PENDING COB | Processing Time: 1.300 seconds | Exceptions: 0

Preliminary pricing calculated using in-network fee schedule. Final adjudication deferred pending COB determination.

Timestamp	Level	Component	Action	Details	Duration
10:30:04.800	INFO	Pricing-Svc	Pricing Started	2 service lines, \$450 total billed	—
10:30:04.900	INFO	Pricing-Svc	Fee Schedule Lookup	In-network contracted rates	100ms
10:30:05.050	SUCCESS	Pricing-Svc	Line 1 Priced	99214: Billed \$250, Allowed \$165	150ms
10:30:05.200	SUCCESS	Pricing-Svc	Line 2 Priced	93000: Billed \$200, Allowed \$75	150ms
10:30:05.350	INFO	Pricing-Svc	Total Allowed	\$240.00 (Contractual adj: \$210.00)	150ms
10:30:05.500	WARNING	COB-Flag-Svc	COB Flag Active	Cannot finalize - MSP check required	150ms
10:30:05.650	INFO	Pricing-Svc	Preliminary Calc	IF UHC primary: \$240 to ded → Member pays \$240	150ms
10:30:05.800	WARNING	Pricing-Svc	Pricing Paused	Final adjudication deferred to post-COB	150ms
10:30:06.000	INFO	Pricing-Svc	Step 5 Partial	Preliminary pricing complete. Awaiting Step 6.	200ms
10:30:06.100	INFO	Workflow-Svc	Route to COB	Claim routed to COB determination	100ms

STEP 5 RESULT: Preliminary pricing: Allowed \$240 (99214: \$165, 93000: \$75). FINAL ADJUDICATION ON HOLD pending COB verification in Step 6.

STEP 6: COORDINATION OF BENEFITS

Status: ⚠ EXCEPTION RESOLVED | Processing Time: 3.800 seconds | Exception: COB

COB exception detected: Patient is Medicare-eligible (67) with small employer (<20). PACE autonomously queried HETS, applied MSP rules, and determined Medicare is primary.

⚠ **COB EXCEPTION: Undisclosed Medicare Coverage** Traditional RPA would PEND this claim 3-5 days for analyst to call CMS.

Timestamp	Level	Component	Action	Details	Duration
10:30:06.100	INFO	COB-Svc	COB Check Started	Processing COB flag from Step 2	—
10:30:06.200	INFO	COB-Svc	Claim OI Field	Loop 2320 (Other Insurance): NOT PRESENT	100ms
10:30:06.300	INFO	COB-Database	Internal Lookup	No other coverage on file for member	100ms
10:30:06.400	EXCEPTION	COB-Svc	Primacy Conflict	Age 67 + Employer <20 = Medicare may be primary	100ms
10:30:06.500	INFO	PACE-Agent	Exception Handler	Initiating agentic resolution workflow	100ms
10:30:06.700	INFO	PACE-Agent	Strategy: SENSE	Identified: Age 67, Employer 15 EE, No Medicare on file	200ms
10:30:07.000	INFO	PACE-Agent	Strategy: ACT	Initiating B2B portal bot for HETS query	300ms
10:30:07.200	INFO	HETS-Bot	270 Request Sent	Medicare eligibility inquiry for SSN ***-**-4521	200ms
10:30:08.400	SUCCESS	HETS-Bot	271 Response	Medicare Part A & B ACTIVE since 03/01/2022	1200ms
10:30:08.600	INFO	HETS-Bot	Medicare ID Found	Beneficiary: 1EG4-TE5-MK72	200ms
10:30:08.800	INFO	PACE-Agent	Strategy: REASON	Applying MSP decision tree	200ms
10:30:09.000	INFO	MSP-Engine	Rule Evaluation	42 CFR § 411.100: Aged beneficiary rules	200ms
10:30:09.200	INFO	MSP-Engine	Employer Size Check	15 employees < 20 threshold	200ms
10:30:09.400	SUCCESS	MSP-Engine	MSP Determination	MEDICARE IS PRIMARY (small employer rule)	200ms
10:30:09.600	INFO	Facets-API	COB Update	Updating member COB record in Facets	200ms
10:30:09.800	SUCCESS	Facets-API	Record Updated	Primary: Medicare, Secondary: UHC	200ms
10:30:09.900	RESOLVED	PACE-Agent	Exception Resolved	Medicare primary determined. Claim to be denied.	100ms

HETS Query Details:

Timestamp	Level	Component	Action	Details	Duration
10:30:07.200	DEBUG	HETS-Bot	EDI 270 Sent	NM1*IL*1*ANDERSON*ROBERT*J***34*XXX-XX-4521~	—
10:30:08.400	DEBUG	HETS-Bot	EDI 271 Received	NM1*IL*1*ANDERSON*ROBERT*J***MI*1EG4-TE5-MK72~	—
10:30:08.400	DEBUG	HETS-Bot	Part A Status	EB*1*IND*30**MA~ (Active)	—
10:30:08.400	DEBUG	HETS-Bot	Part B Status	EB*1*IND*30**MB~ (Active)	—
10:30:08.400	DEBUG	HETS-Bot	Effective Date	DTP*346*D8*20220301~ (03/01/2022)	—

**STEP 6 RESULT:** COB EXCEPTION RESOLVED. Medicare is PRIMARY (MSP rule 42 CFR § 411.100). Facets updated. Claim will be denied with instructions to bill Medicare first. Resolution time: 3.8s vs 3-5 days.



STEP 7: DENIAL & REMITTANCE GENERATION

Status: ✓ COMPLETE | Processing Time: 1.200 seconds | Exceptions: 0

Claim denied with appropriate CARC/RARC codes. EDI 835, provider notice, and member EOB generated with instructions to bill Medicare.

Timestamp	Level	Component	Action	Details	Duration
10:30:09.900	INFO	Denial-Svc	Denial Started	Generating denial for COB - other payer primary	—
10:30:10.000	INFO	CARC-Engine	Code Assignment	CARC OA-23: Other payer primary responsibility	100ms
10:30:10.100	INFO	RARC-Engine	N218 Applied	Submit to primary payer first	100ms
10:30:10.200	INFO	RARC-Engine	MA18 Applied	Claim forwarded to primary insurer	100ms
10:30:10.300	INFO	RARC-Engine	N479 Applied	Primary payer info was missing	100ms
10:30:10.400	INFO	EDI-Generator	835 Creation	Generating EDI 835 denial remittance	100ms
10:30:10.550	SUCCESS	EDI-Generator	835 Complete	BPR*H*0 (zero payment), CAS*OA*23*450	150ms
10:30:10.700	INFO	Notice-Gen	Provider Notice	Instructions: Bill Medicare 1EG4-TE5-MK72 first	150ms
10:30:10.850	INFO	EOB-Generator	Member EOB	COB explanation, no payment due yet	150ms
10:30:11.000	SUCCESS	Output-Svc	Documents Queued	835 to clearinghouse, EOB to mail/portal	150ms
10:30:11.100	SUCCESS	Denial-Svc	Step 7 Complete	Claim denied. All outputs generated.	100ms

STEP 7 RESULT: Claim DENIED. EDI 835 with CARC OA-23 (other payer primary). Provider instructed to bill Medicare (1EG4-TE5-MK72) first. Member EOB explains COB update.

PROCESSING COMPLETE

COB Exception Resolved - Medicare Primary Determined

Final Claim Summary

Total Processing Time	11.100 seconds
Total Log Entries	72 events across 7 steps
Exceptions Encountered	1 (COB - Undisclosed Medicare)
Exception Resolution Time	3.800 seconds
Human Interventions	0
Final Outcome	DENIED - Bill Medicare First

Exception Resolution Detail

Aspect	Traditional RPA	PACE Agentic
Detection	PEND with code 'COB-001'	Flagged automatically (age + employer size)
Verification	Analyst calls CMS/HETS manually	B2B bot queries HETS in 1.2 seconds
Decision	Analyst applies MSP rules manually	MSP engine applies 42 CFR § 411.100
System Update	Analyst updates Facets manually	Facets COB record auto-updated
Resolution Time	3-5 business days	3.8 seconds

Output Codes Reference

Code	Type	Description
OA-23	CARC	Payment adjusted due to other payer having primary responsibility
N218	RARC	Must submit to primary payer before we can process
MA18	RARC	Claim information forwarded to primary insurer (Medicare)
N479	RARC	Primary payer information was missing/incomplete

**COB EXCEPTION RESOLVED: 3.8 SECONDS** Robert Anderson's claim was processed in 11.1 seconds total. Undisclosed Medicare coverage was discovered via automated HETS query. MSP rules applied: Medicare primary due to small employer (<20 employees). Facets COB record updated automatically for future claims routing.