ARKANSAS DEPARTMENT OF HUMAN SERVICES

Division of Medical Services

Program Development & Quality Assurance

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OFFICIAL NOTICE

TO: **Health Care Provider – All Providers**

DATE: **April 1, 2011**

SUBJECT: **National Correct Coding Initiative**

I. General Information

The Patient Protection and Affordable Care Act ((H.R. 3590) Section 6507 (Mandatory State Use of National Correct Coding Initiative (NCCI)) requires State Medicaid programs to incorporate "NCCI methodologies" in their claims processing systems. The Centers for Medicare and Medicaid (CMS) originally developed the National Correct Coding Initiative (NCCI) to promote national correct coding methodologies and to control improper coding leading to inappropriate payments in Medicare Part B claims. The purpose of the NCCI edits is to prevent improper payments when incorrect code combinations are reported.

Arkansas Medicaid will implement NCCI methodologies for claims with dates of service on or after 4/1/2011.

All Medicaid and ARKids-B claims are subject to NCCI editing. Per CMS, Critical Access Hospitals are not subject to NCCI editing.

II. General Purpose

NCCI methodologies prevent reimbursement for services that should not be billed together as well as preventing the reimbursement for units of service in excess of the number that a provider would report under most circumstances for a single beneficiary on a single date of service. NCCI applies to Current Procedural Terminology (CPT®) Level I and Healthcare Common Procedure Coding System (HCPCS) Level II codes.

NCCI consists of four components:

1. A set of edits
2. Definition of types of claims subject to the edits
3. A set of claims adjudication rules for applying the edits
4. A set of rules for addressing provider/supplier appeals of denied services based on the edits

III. Types of NCCI edits

The NCCI edits are defined as edits applied to services performed by the same provider for the same beneficiary on the same date of service.

NCCI methodologies consist of two types of edits:

1. NCCI procedure-to-procedure edits are pairs of HCPCS/CPT codes consisting of a column one code and a column two code. The edit defines two codes that should not be reported together for a variety of reasons. If both codes are reported, the column one code is eligible for payment and the column two code is denied. However, for many edits, there are circumstances where both the column one code and column two code are eligible for payment. These circumstances are identified by the modifier indicator for each edit which is discussed in the Edit Characteristics Document provided on the Medicaid NCCI webpage. Additional information can be found on the CMS website www.cms.gov/NationalCorrectCodInitED/.

Ambulatory Surgical Center/Outpatient "surgical procedure code" billing protocols will not change; continue to bill surgical charges for these providers as a global code under a single surgical procedure code with 1 unit of service.

Note: Continued use of current Arkansas Medicaid required modifiers when applicable in conjunction with NCCI modifiers is required.

NCCI Associated Modifiers are 25, 27, 58, 59, 78, 79, 91, LT, RT, E1, E2, E3, E4, FA, F1, F2, F3, F4, F5, F6, F7, F8, F9, LC, LD, RC, TA, T1, T2, T3, T4, T5, T6, T7, T8 and T9. These modifiers may be appended to the column one or column two codes of a code pair edit when applicable for consideration for reimbursement for both codes.

Example Claim 1:

04/01/2011	52332	LT	1 unit
04/01/2011	52332	RT	1 unit

Example Claim 2:

04/01/2011	28344	T3	1 unit
04/01/2011	28344	T9	1 unit

Example Claim 3:

04/01/2011	73564	LT	1 unit
04/01/2011	73564	RT	1 unit
04/01/2011	73564	59	1 unit

Example Claim 4:

04/01/2011	22612	00	1 unit
04/01/2011	22610	59	1 unit

Example Claim 5:

04/01/2011	22842	00	1 unit
04/01/2011	99252	25	1 unit

2. Medically Unlikely Edits (MUE) units of service edits define for each HCPCS/CPT code the usual and customary number of units for a procedure code per day. CMS has set usual and customary daily limits for procedure codes. Arkansas Medicaid has aligned the customary number of units with CMS unless Medicaid units are more restrictive. MUEs are applied separately to each line of a claim, NOT all units of service for a code on a single date of service. A provider/supplier may report the same HCPCS/CPT code on more than one claim line appending a modifier to the code on the second and additional claim lines.

Place any modifiers in the order of their significance on the claim form (i.e. 59, 25).

Note: Continued use of current Arkansas Medicaid required modifiers when applicable in conjunction with NCCI modifiers is required.

For some procedures (e.g., colectomy), the MUE is an absolute limit. However, for other procedures, providers/suppliers may occasionally report units of service in excess of the MUE value by reporting the same code on more than one line of a claim with appropriate coding modifiers. Dupe auditing will also be updated to allow for reporting the same code on more than one line of a claim with appropriate coding modifiers.

Therapy codes 97150, 92507, and 92508 will be excluded from the MUE edits. These codes should continue to be billed as they are today.

Examples:

04/01/2011 – 04/01/2011	97150	U2	4 units
04/01/2011 – 04/01/2011	92507	00	2 units
04/01/2011 – 04/01/2011	92508	00	2 units

When appending modifiers 27, 78 or 79 to a detail procedure, providers are required to submit a paper claim along with supporting documentation for manual/medical review.

DME rental items that are reimbursed as daily rate must be billed as one unit of service for each date of service the detail line spans. See examples below:

Examples:

04/01/2011 – 04/30/2011	E0482	00	30 units
04/01/2011 – 04/15/2011	E0619	EP	15 units

For certain items, CMS allows one unit per day. Providers must span the dates of service when billing for more than one unit to ensure proper processing of detail. Below are examples of lancets and diabetes test strips:

04/01/2011 – 04/30/2011	A4259	00	2 units	(1 box = 100 each)
04/01/2011 – 04/30/2011	A4253	U1 NU	6 units	(1 box = 50 each)
04/01/2011 – 04/30/2011	A4221	00	2 units	(1 box = 100 each)

For prosthetic supplies that can be billed/used as bilateral procedures, providers will be required to bill a detail line for each procedure with appropriate anatomical modifier. See examples below:

Claim Detail 1:

04/01/2011 – 04/01/2011	L1610	EP LT	1 unit

Claim Detail 2:

04/01/2011 – 04/01/2011	L1610	EP RT	1 unit

Claim Detail 1:

04/01/2011 – 04/01/2011	L1690	EP LT	1 unit

Claim Detail 2:

04/01/2011 – 04/01/2011	L1690	EP RT	1 unit

The NCCI is comprised of two provider type choices of code pair edits and three provider-type choices of Medically Unlikely Edits.

Procedure-to-procedure (Code Pair) Edits	MUEs
Code pair edits are applied to claims submitted by practitioners including: • Physician • Non-physician • Non-surgical codes for Ambulatory Surgical Centers	Practitioners claims are subject to these edits including: • Physicians • Non-physician • Ambulatory Surgical Centers
• Hospital Outpatient	• Durable Medical Equipment suppliers
	• Facility Outpatient MUE's

An overview and additional information regarding NCCI can be found on the CMS website www.cms.gov/medicaidnccicoding.

IV. NCCI Explanation of Medicaid Benefits (EOMB) for Denied Claims

If you feel your claim has been denied incorrectly, please contact HP Provider Assistance Center for any concerns.

HP Enterprise Services Provider Assistance Center (PAC)

Within Arkansas	1-800-457-4454
Local or out-of-state	(501) 376-2211
PAC mailing address	HP Enterprise Services Provider Assistance Center P.O. Box 8036 Little Rock, AR 72203-8036

You may also contact your regional provider representative at the following e-mail address:

Linda Rounsavall	Northwest Arkansas	ARKNWRegion@hp.com
Michael Hamblin	North Central Region	ARKNCRegion@hp.com
Veronica Meng	Northeast Arkansas	ARKNERegion@hp.com
Alejandro Gutierrez	Southwest Arkansas	ARKSWRegion@hp.com
Renee Davis	Pulaski County	ARKPulaskiRegion@hp.com
Andrea Rowlett	East Central Arkansas	ARKECRegion@hp.com
Patrice Gilmore	Southeast Arkansas	ARKSERegion@hp.com

V. New Explanation of Benefits (EOB)

Listed below are the new EOBs that will be used for NCCI procedure-to-procedure editing:

EOB 117	INVALID NCCI BILLING COMBINATIONS – CMS ALLOWS APPEAL.
EOB 225	INVALID NCCI BILLING COMBINATIONS – CMS DOES NOT ALLOW APPEAL.
EOB 451	INVALID NCCI BILLING COMBINATIONS – DENIED DUE TO RELATED PROCEDURE PAID IN HISTORY. CMS ALLOWS APPEAL.
EOB 445	INVALID NCCI BILLING COMBINATIONS – DENIED DUE TO RELATED PROCEDURE PAID IN HISTORY. CMS DOES NOT ALLOW APPEAL.

If a claim detail denied with either EOB 117 or 451, this denial may be challenged by submitting documentation supporting the medical necessity of both billed procedures. Providers should ensure the appropriate modifier has been appended to the claim.

If a claim detail denied with either EOB 225 or 445, per CMS NCCI directive, the denial may not be appealed.

The CMS directive for NCCI denials assigns responsibility to the provider; a denied service SHOULD NOT be billed to the beneficiary. The denied service is a provider liability. A provider cannot use an "Advanced Beneficiary Notice" or waiver of liability to obtain payment from beneficiary. This will be noted on the last page of the RA, in the "DESCRIPTION OF EOB CODES" section when the EOB codes above are used. It will read (PROVIDER RESPONSIBILITY).

VI. Medicaid NCCI Edit Updates

Per the Centers for Medicare and Medicaid (CMS), NCCI edits are updated on a quarterly basis.

If you have questions regarding this notice, please contact the HP Enterprise Services Provider Assistance Center at In-State WATS 1-800-457-4454, or locally and Out-of-State at (501) 376-2211.

If you need this material in an alternative format, such as large print, please contact our Americans with Disabilities Act Coordinator at 501-682-0593 (Local); 1-800-482-5850, extension 2-0593 (Toll-Free) or to obtain access to these numbers through voice relay, 1-800-877-8973 (TTY Hearing Impaired).

Arkansas Medicaid provider manuals, official notices and remittance advice (RA) messages are available for downloading from the Arkansas Medicaid website: www.medicaid.state.ar.us.

Thank you for your participation in the Arkansas Medicaid Program.

Eugene I. Gessow, Director