

HEALTH & WELFARE

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MEDICAID INFORMATION RELEASE MA11-05

To:

All Physicians, Non-physician Practitioners, Ambulatory Surgery Centers, Therapy

providers, DME Suppliers, Laboratories, and Outpatient Hospitals when CPT Codes are

Required for Billing and Reimbursement

From:

Leslie M. Clement, Administrator

Subject:

Implementation of Medicaid National Correct Coding Initiative (MCDNCCI)

Section 6507 of The Affordable Care Act requires state Medicaid programs to implement National Correct Coding Initiative (MCDNCCI) methodologies in their claims processing systems to prevent improper payments if incorrect procedure code combinations and medically unlikely units of service are reported on Medicaid claims. Idaho Medicaid began to apply MCDNCCI edits to claims processing for dates of service on or after April 1, 2011.

The correct coding initiative (CCI) was developed by the Centers for Medicare and Medicaid Services (CMS) for the Medicare program in 1996. Medicare and many private insurance carriers use CCI editing methodologies to prevent overpayments. The CCI edits are based on coding policies and conventions defined in the American Medical Association's *Current Procedural Terminology (CPT) Manual*, national Medicare policies, coding guidelines developed by national societies, standard medical and surgical practices, and current coding practices. At this time, the MCDNCCI edits include a subset of edits from the Medicare CCI files CMS has determined to be compatible with the Medicaid program. MCDNCCI consists of two types of edits:

- Procedure-to-procedure edits define pairs of Healthcare Common Procedure Coding System (HCPCS) / Current Procedural Terminology (CPT) codes that should not be reported together for a variety of reasons. MCDNCCI edits only apply to claims that contain the following:
 - Same Provider
 - Same Participant
 - Same Date of Service
- Medically Unlikely Edits (MUE), or units-of-service edits, that define for each HCPCS / CPT code
 the number of units of service beyond which the reported number of units of service is unlikely to be
 correct (e.g., claims for excision of more than one gallbladder or more than one pancreas).

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A number of NCCI edits allow providers to use modifiers to indicate medical necessity for procedures or services that are distinct, separate, or independent from other services performed on the same day, or for units in excess of the MUE allowable amounts. Use of modifiers will be monitored for appropriateness.

Federal law mandates that the NCCI and MUE edits must be implemented. The MCDNCCI edits supersede the Medicaid State Plan, all Idaho Medicaid policies, MedicAide articles, and other previous guidance provided on procedure-to-procedure and units-of-service edits.

MCDNCCI implementation helps ensure that services are paid correctly in accordance with state and federal policy and regulations. For more information about the proper use of modifiers and correct coding, consult the CMS Medicaid NCCI Web site at https://www.cms.gov/MedicaidNCCICoding/.

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