

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance



Office of the Deputy Director- Medicaid

Transmittal 12-13

TO: Medicaid Providers

FR: Linda Elam, PH.D., MPH
Deputy Director/Medicaid Director

A handwritten signature in black ink, appearing to read "Linda Elam", written over the printed name and title.

Date: JUN 14 2012

RE: National Correct Coding Initiative Edits

The Department of Health Care Finance (DHCF) implemented CMS' National Correct Coding Initiative (NCCI) standard payment methodologies in February. This significant change complies with the federal Patient Protection and Affordable Care Act and requires that state Medicaid agencies integrate the NCCI payment methodologies in their claims payment systems for qualifying claims with dates of service on or after October 1, 2010.

Detailed descriptions of the payment methodologies as well as guides to NCCI coding tools can be located at <http://www.cms.gov/NationalCorrectCodinitED/>. NCCI will enhance code editing and identify claims where coding methods do not adhere to guidelines established by CMS. NCCI edits consist of two types of edits:

- 1) NCCI procedure-to-procedure edits that 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; and
- 2) Medically Unlikely Edits (MUE), 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 spleen).

As part of the federal mandate for implementing these edits, DHCF is required to re-adjudicate all claims for service dates on or after October 1, 2010 that could be

impacted by these edits. In the coming months we will begin the process of re-processing any previously submitted claims so that these edits can be applied against previous submissions. The NCCI implementation ensures that services are paid correctly in accordance with state and federal policy and regulations.

We will reprocess all claims with a date of service on or after October 1, 2010 with a paid date on or before February 29, 2012. If the reprocessing results in a recoupment greater than \$1,000, the funds will be recouped in 20% increments until the balance is satisfied.

If you have any questions regarding this transmittal, please contact Provider Services at (202) 698-2000.