CMS Manual System

Pub. 100-04 Medicare Claims Processing

Department of Health & Human Services (DHHS)
Centers for Medicare & Medicaid Services (CMS)

Transmittal 326 **Date: OCTOBER 22, 2004**

CHANGE REQUEST 3260

SUBJECT: Invalid Diagnosis Code Editing - Second Phase

I. SUMMARY OF CHANGES: The Part B Carriers, Durable Medical Equipment Regional Carriers (DMERC), and National Council for Prescription Drug Program (NCPDP) shared system maintainers (SSM) must make changes to their pre-pass editing process to prevent invalid diagnosis codes from being processed and forwarded to their Coordination of Benefits trading partners. Transmittal 86 (Change Request 3050) instructed the SSMs to edit for the presence of invalid diagnosis codes whether pointed to or not. Date logic editing was required in order to complete the editing of truncated/invalid diagnosis codes. This instruction adds effective and end-date-range logic editing for carriers and DMERCs.

This instruction adds additional logic to verify by date of service, the effective and end-date-range on all service lines. The shared system will compare the submitted diagnosis codes against the effective and end dates of the submitted diagnosis codes whether pointed to or not. Claims that contain invalid diagnosis codes shall be rejected.

NEW/REVISED MATERIAL - EFFECTIVE DATE: April 1, 2005
- *IMPLEMENTATION DATE: April 4, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will only receive the new/revised information, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (R = REVISED, N = NEW, D = DELETED)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

***III. FUNDING:**

These instructions should be implemented within your current operating budget.

IV. ATTACHMENTS:

X	**Business Requirements**
	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Change Notification

***Medicare contractors only**

Attachment - Business Requirements

Pub. 100-04	Transmittal: 326	Date: October 22, 2004	Change Request 3260

SUBJECT: Invalid Diagnosis Code Editing - Second Phase

I. GENERAL INFORMATION

A. Background: In order to accurately edit diagnosis codes for validity, effective and end-date-range logic editing must be incorporated to the diagnosis code editing which was initiated in Transmittal 86 (Change Request 3050) of the July 2004 release. This change request includes validation of diagnosis codes on the National Council for Prescription Drug Program (NCPDP) claims and adds additional diagnosis editing for the 837 professional and NCPDP which could not be implemented in the July 2004 release.

B. Policy: The CMS is committed to implementing the professional 837 and NCPDP per the HIPAA implementation guides (IG).

C. Provider Education: A provider education article related to this instruction will be available at http://www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Carriers (including DMERCs) shall post this article or a direct link to this article on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the carriers' (including DMERCs) education article must be included in their next regularly scheduled bulletin.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

Requirement #	Requirements	Responsibility
3260.1	You shall create a pre-pass edit to reject inbound electronic claims that contain invalid diagnosis codes, on all lines of service, whether used in adjudication or not.	NCPDP shared system maintainer
3260.2	You shall create effective and end-date-logic editing to reject inbound electronic claims that contain invalid/truncated diagnosis codes, on all lines of service, whether used in adjudication or not.	NCPDP shared system maintainer
3260.3	You shall create effective and end-date-logic editing to reject inbound electronic claims that contain invalid/truncated diagnosis codes, on all lines of service, whether pointed to or not.	Part B/DMERC shared system maintainers

3260.4	When validating truncated diagnosis codes, you shall use the range of service dates. If the truncated diagnosis code was valid anytime within the range of effective and end dates, the diagnosis code is considered to be valid.	Part B/DMERC and NCPDP shared system maintainers
3260.5	Within 30 days after publication of this CR, you shall notify (via Web site, listserv, or other means) your providers of the requirements.	Carriers and DMERCs
3260.6	You shall publish information regarding this new edit in your next regularly scheduled bulletin.	Carriers and DMERCs

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

Effective Date: April 1, 2005 **Implementation Date:** April 4, 2005 **Pre-Implementation Contact(s):** Brian Reitz 410-786-5001, breitz@cms.hhs.gov **Post-Implementation Contact(s):** Brian Reitz 410-786-5001, breitz@cms.hhs.gov	**These instructions should be implemented within your current operating budget.**