

Program Memorandum Intermediaries

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

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Date: JANUARY 31, 2001

CHANGE REQUEST 1551

SUBJECT: Claims Guidance Related to Outpatient Code Editor (OCE) Edit 27

Fiscal intermediaries are currently receiving OCE edit 27 “return to provider, only incidental services reported” for claims which are manually denied in their entirety based on medical review of the claim. As a result, these claims are suspending and are not being processed to completion when in fact, they should be denied since there are no reimbursable services on the claim. Mixed claims with both denied/rejected and payable services are unaffected by this OCE edit. This problem will be corrected in the April OCE release.

The following provides guidance in order to resolve the backlog of these claims which have been building at the fiscal intermediaries and to provide direction on what action should be taken until the OCE fix is implemented.

Fiscal intermediaries on the Fiscal Intermediary Standard System (FISS) should disable reason code W7027. The Arkansas Part A Standard System Maintainer (APASS) must develop a system workaround to bypass OCE edit 27 when all services on the claim are being denied.

All claims should be released from suspension once the above changes have been implemented by the standard system users. Upon installation of the April OCE, FISS users should reinstate reason code W7027 and APASS should disable their workaround.

The *effective date* for this Program Memorandum (PM) is January 31, 2001.

The *implementation date* for this PM is January 31, 2001 for FISS users and February 14, 2001 (two weeks after receipt of the APASS workaround) for APASS users.

These instructions should be implemented within your current operating budget.

This PM may be discarded after February 1, 2002.

If you have any questions, contact Faith Ashby at (410)-786-6145.