Medlearn Matters
Information for Medicare Providers

Related Change Request (CR) #: 3260

Medlearn Matters Number: MM3260

Related CR Release Date: October 22, 2004

Related CR Transmittal #: 326

Effective Date: April1, 2005

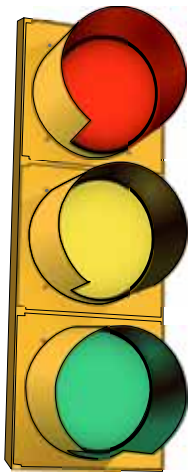
Implementation Date: April 4, 2005

Invalid Diagnosis Code Editing – Second Phase

Provider Types Affected

All physicians, providers, and suppliers who bill Medicare carriers, including Durable Medical Equipment Regional Carriers (DMERCs)

Provider Action Needed



STOP – Impact to You

New edits will be added to the Medicare claims processing systems to prevent acceptance of inbound claims with invalid diagnosis codes.

CAUTION – What You Need to Know

Diagnosis codes must always be valid on the date that the service was provided. Medicare systems will reject claims with diagnosis codes that were not valid on the date of service.

GO – What You Need to Do

As Medicare strengthens its edit processes to detect and reject claims with invalid diagnosis codes, ensure that your billing staff know the rules for diagnosis codes and that they submit diagnosis codes that are in compliance with HIPAA.

Background

To edit diagnosis accurately codes for validity, Medicare systems will apply date range edits to ensure that diagnosis codes are valid for the period of time for which they are reported on claims sent to Medicare. These edits will apply whether or not Medicare actually uses the reported diagnosis code in its claims processing.

HIPAA rules require that Medicare make sure that such codes are HIPAA-compliant, especially because these codes are passed on to other payers under Medicare's Coordination of Benefits processes. To be compliant, the diagnosis code must be valid on the date for which it is reported. These policy changes

include validation of diagnosis codes on the National Council for Prescription Drug Program (NCPDP) claims and on 837 professional claims.

Additional Information

Additional information regarding this topic can be found in Transmittal 86 (CR 3050). The official instruction issued to your carrier regarding this change may be found by going to:

http://www.cms.hhs.gov/manuals/transmittals/comm_date_dsc.asp

From that web page, look for CR 3260 in the CR NUM column on the right, and click on the file for that CR.