Practical Tips

Medicare Coding Edits New and Old

When claims are processed by Medicare carriers, fiscal intermediaries, or Part A/Part B Medicare Administrative Contractors, they are compared against computerized coding edits. These edits include the National Correct Coding Initiative Edits (NCCI), commonly referred to as CCI edits. Other coding edits have been recently developed by the Centers for Medicare & Medicaid Service (CMS) that are known as Medically Unlikely Edits (MUEs). The questions and answers in this article are designed to provide additional information and clarification regarding the NCCI and MUE edits.

Why did CMS develop NCCI Edits?

The NCCI edits were developed by the agency in an effort to establish a uniform coding review method among Medicare carriers. They promote correct coding and attempt to control improper payments made by the Medicare program based on inappropriate coding. The edits can also serve to enforce Medicare payment policies.

When did CMS begin implementing the NCCI edits?

The NCCI edits were implemented in January, 1996 and are applied to services provided on or after January 1, 1996.

What exactly are the edits and how do they affect claims submitted to the Medicare program?

Current Procedural Terminology (CPT) codes and Healthcare Common Procedure Coding System (HCPCS) codes represent and define medical procedures and services. A CPT or HCPCS code may define one specific procedure or service, or it may define a general procedure that encompasses multiple services.

The NCCI has established tables that are made up of code pairs and code combinations. The combinations listed within the tables identify certain procedures/services that would not be performed on the same day or be performed during the same session; and therefore, should not be reported together.

Codes that appear on claims submitted to the Medicare program are compared with the computerized NCCI coding edits. If a code combination on the claim form matches a code combination in the NCCI edits, a denial or bundling of a procedure or service can occur.

You mentioned “tables” of code pairs and combinations. Can you explain the tables?

There are two categories, or tables, of edits within the NCCI: Mutually Exclusive Procedures and Column 1/Column 2

Coding Edits. Each of the two tables consists of two columns that list CPT or HCPCS codes. Each row within the table represents a code pair or combination. The code listed in Column 2 will be considered bundled or not separately reimbursed when it is reported with the code listed in Column 1.

The Mutually Exclusive Procedures table lists procedures that are mutually exclusive to one another. For the most part, these code pairs identify services that would not be performed during the same patient encounter or during the same session. The NCCI Manual states the following: “An example of a mutually exclusive situation is the repair of an organ that can be performed by two different methods. Only one method can be chosen to repair the organ.”

The Column 1/Column 2 Coding Edits table lists procedures that should generally not be reported together. For example, one procedure may be a component of another, more comprehensive service, or may represent a service that is integral to another. The NCCI Manual states the following as an example: “A provider should not report a vaginal hysterectomy code and a total abdominal hysterectomy code together.”

Since the CPT manual is updated annually, are the NCCI edits also updated annually?

No, the edits are updated on a quarterly basis.

How are new edits created, and who has input?

CMS develops the edits based on coding instructions found in the CPT Manual of the American Medical Association (AMA) and other AMA CPT coding materials. The agency also refers to CMS program memoranda and transmittals, as well as staff and Medicare contractor medical directors for input. In addition, CMS reaches out to the AMA, national specialty societies, and other national healthcare organizations for input.

Do the edits apply to the hospital setting?

The program was initially created to be used by Medicare carriers and applied to the processing of Part B claims. However, in 2000, some edits were incorporated into the Outpatient Code Editor for use by fiscal intermediaries in processing hospital outpatient Part B claims. (The NCCI edits within the Outpatient Code Editor may not mirror edits used by Medicare carriers.)

If I would like to comment on the NCCI edits, who would I contact?

CMS works with an individual contractor, Correct Coding Solutions, LLC, which manages and maintains the NCCI program. (Even though CMS works with a contractor, all decisions on the edits are made by CMS.) Comments or inquiries relating to the edits can be sent to the following address:

National Correct Coding Initiative
Correct Coding Solutions, LLC
P.O. Box 907
Carmel, IN 46082-0907
Fax: 317-571-1745

Are the NCCI edits available to the public?

Yes. The NCCI edits are available publicly on the CMS Web site at http://www.cms.hhs.gov/NationalCorrectCodInitEd/01_overview.asp.

Do private payers use the NCCI edits established by CMS?

Private payers may have some form of coding edits in place; however, it is difficult to verify whether the edits used are the

same as the NCCI edits developed by CMS. (Companies such as McKesson Information Solutions offer editing products, which may be used by private payers.)

What are MUEs and why were they created?

CMS has developed a new set of edits called MUEs. These edits set a limit on the number of times a service or procedure can be reported by the same physician on the same date of service to the same patient. Not all CPT or HCPCS codes have MUE edits in place; these only apply to certain services. CMS created this program in an effort to control improper payments made by the program. (The MUE edits are not publicly available at this time.)

Where can I find more information on MUEs?

More information on MUEs and a frequently asked questions document can be found on the CMS web site at http://www.cms.hhs.gov/NationalCorrectCodInitEd/08_MUE.asp.

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