

National Correct Coding Initiative

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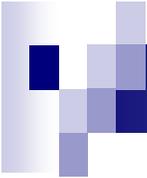
National Committee on Vital and Health Statistics



Testimony

**Niles R. Rosen, MD,
Medical Director
National Correct Coding Initiative**

The National Correct Coding Initiative (NCCI) and its possible role in establishing a uniform set of edits for use by third-party payers other than fee-for-service Medicare and Medicaid.



Presenter – Niles R. Rosen, M.D.

Correct Coding Solutions, LLC

CCS, WP, LLC

Majority Owner

- Board certified in pathology
- Medical Director for National Correct Coding Initiative (NCCI) since 1997.
- CCS has been the CMS contractor for NCCI since December 2005
- Previously employed by AdminaStar Federal, Inc., in same capacity.



NCCI, CMS, and CCS

- CMS: Owns the NCCI and determines contents

- CCS: Contractor
 - Advises CMS on NCCI issues
 - Develops new edits
 - Modifies existing edits
 - Produces quarterly file updates
 - Handles NCCI related correspondence



Definition of an Edit

A claims processing rule used by Medicare, Medicaid, or other health insurers during the claim adjudication process.

- NCCI consists of two types of edits
- Health insurers, including Medicare and Medicaid, utilize many types of other edits such as:
 - Edits to verify insured's eligibility
 - Edits to verify that all appropriate fields of the claim form are completed
 - NCCI does not include these types of edits



Purpose and Design of NCCI

■ Purpose:

- Promote correct coding
- Reduce paid claim error rates

■ Basis for Edits:

- CMS coding guidelines and payment policies
- National specialty society coding policies – with some variations
- Medicaid – Based on Medicare NCCI with elimination of edits not applicable to Medicaid programs and addition of edits not included in Medicare.



Types of NCCI Edits

Edits focus on services provided by same provider to the same beneficiary on the same date of service billed with *HCPCS/CPT* codes

Two types of edits:

- Procedure-to-procedure (PTP)
- Medically Unlikely Edits (MUEs)



Types of NCCI Edits

Procedure-to-Procedure (PTP) Edits

- Pairs of *HCPCS/CPT* codes which should NOT be reported together
- Referred to as an “NCCI” or “NCCI PTP” edit
- Example – It would not be appropriate to bill both of the following on the same date:
 - Vaginal hysterectomy
 - Abdominal hysterectomy



Types of NCCI Edits

Medically Unlikely Edits (MUEs)

- Units of Service edit
- Unlikely that provider would report more UOS
- Example – Billing 4 units of service for a cataract extraction (each unit of service represents 1 eye) – There are only 2 eyes.



Types of NCCI Edits

- Over 1.3 million NCCI PTP and MUE Edits
- Separate NCCI Coding Policy Manuals are published for both Medicare and Medicaid
 - Describe rationale for edits for each program
 - 12 major criteria for NCCI PTP edits
 - 20 major criteria for MUEs



History of NCCI

■ January 1, 1996

- Initial implementation by CMS
- NCCI PTP edits for practitioner services only

■ August 2000

- NCCI PTP edits applied to outpatient hospital services subject to OPPS



History of NCCI

■ 2006

- NCCI PTP edits applied to additional therapy services billed to Medicare Fiscal Intermediaries

■ January 1, 2007

MUEs implemented for practitioner, outpatient hospital, and DME services



History of NCCI

■ October 1, 2010

- Section 6507 of the Patient Protection and Affordable Care Act (PPACA)
 - State Medicaid programs must implement NCCI methodologies (edit databases, claim adjudication rules, and provider types subject to the edits)
 - CMS issued instructions to States on September 1, 2010
 - March 1, 2011, the Secretary of the Department of Health and Human Services (DHHS) reported to Congress regarding Medicaid implementation



Quarterly Updates, Edit Development Process and Transparency

- NCCI PTP and MUE edit databases are updated quarterly
- Edits may be added, deleted or modified
 - Edit updates based on:
 - new, deleted, modified *HCPCS/CPT* codes
 - publications from national healthcare organizations
 - correspondence from interested parties



Quarterly Updates, Edit Development Process and Transparency

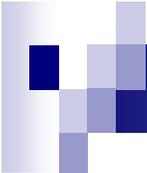
- Prior to implementing updates

- 60-day review/comment period for most additions, deletions, modifications
- Proposals reviewed by anywhere from a few to over 100 national healthcare organizations
 - American Medical Association (AMA) and national medical and surgical specialty societies
 - National Healthcare Professional Organizations
 - American Hospital Association
 - Federation of American Hospitals
 - Numerous laboratory organizations
 - Others on *ad hoc* basis



Edit Reconsideration Process

- Any interested party may request a reconsideration of an NCCI PTP or MUE edit.
- Instructions for contacting CCS and requesting a reconsideration are published on the CMS website.
- CCS receives, researches, and analyzes reconsideration requests.
- Reconsideration requests discussed with CMS NCCI Workgroup which makes decision about request
- CCS provides written response with CMS decision and rationale to requestor



CMS Publication of NCCI Edits and Other Documents

- Separate websites for Medicare NCCI and Medicaid NCCI
 - All NCCI PTP edits are published
 - Most MUEs are published
 - Small percentage of MUEs are confidential and not published
 - Other NCCI-related documents
- All CMS internet NCCI edit files and other documents are available for download at no cost



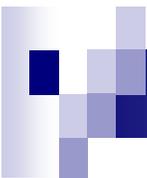
Use of NCCI by Third-Party Payers Other Than Medicare/Medicaid

■ Sounds Simple?

- Edits utilize HIPAA standard code set (*HCPCS/CPT*)
- Vast majority of edits are published
- Some payers already attempting to utilize

■ Complaints - Payer's misapplication of edits

- Not allowing proper use of modifiers
- Payment of incorrect code



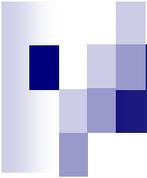
Implications to Federal NCCI Program Resulting from Misuse of NCCI by Other Third-Party Payers

- NCCI generally accepted in provider community for Medicare/Medicaid
- Edit development and reconsideration viewed as fair and transparent
- Misuse of NCCI by other third-party payers reflects negatively on the CMS NCCI Program



Cost Savings and Additional Costs Resulting From Implementation by Third-Party Payers Other Than Medicare and Medicaid

- Uniform application - administrative simplification - cost savings for providers
- Reduction in inappropriate claim payments by health plans
- Incorporating NCCI Methodologies into claims processing systems - costs for plans
 - Software and integration into claims processing system
 - Claim reconsideration or appeals of denied claims
 - Administrative costs – customer service, provider education, edit file maintenance
 - Costs could be substantial and problematic for small plans



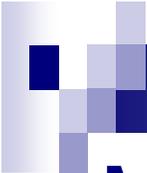
Implementing NCCI for Third-Party Payers Other Than Medicare & Medicaid

- Lessons learned from implementation of Medicare NCCI Methodologies in Medicaid:
 - Use of appropriate edit database
 - Application of appropriate claim adjudication rules
 - Application of edits to appropriate types of service
 - Development of edits for *HCPCS* codes not used by Medicare/Medicaid
 - Publication of quarterly updates synchronized with current NCCI
 - Education of other payers regarding edits, claim adjudication rules, and applicability of edits



Transferability Issues

1. Payment policy differences
2. Developing edits for HCPCS codes not used by Medicare or Medicaid – Base on sample principles as Medicare/Medicaid NCCI
3. Consistent application of claim adjudication rules – For example: Use of modifier 59 to bypass NCCI PTP edit when appropriate
4. Edits not applicable to ALL services billed by ALL providers – Must apply correct edits to appropriate provider types and services to prevent inappropriate claim denial



Migrating Medicare/Medicaid NCCI Program to Other Third-Party Payers

1. Third-party payer acceptance of CMS and NCCI coding and payment principles
2. Common edit database development for other third-party payers differing from Medicare or Medicaid edit databases
3. Synchronization of quarterly updates to Medicare and Medicaid edit database quarterly updates
4. Other third-party payer edits related to same provider, same member, same date of service may conflict with NCCI principles/edits
5. Third-party payer deactivation of incompatible edits
6. Process to handle requests for reconsideration of edits not included in the Medicare or Medicaid NCCI edit databases



Conclusion

- NCCI PTP and MUEs have worked well and been successful for Medicare program
- Uniformly applied by Medicare claims processing contractors
- Successfully transferred to Medicaid program in 2010-2011
 - Many lessons learned and more to come as the transition continues



Conclusion

Potential for greater uniformity, transparency, and cost saving for other payers BUT...

- Task would be very challenging
- Must be well planned
- Would require cooperation of a wide variety of stakeholders



THANK YOU!

QUESTIONS?