

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



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MLN Matters® Number: MM7439 **Revised**

Related Change Request (CR) #: 7439

Related CR Release Date: May 20, 2011

Effective Date: July 1, 2011

Related CR Transmittal #: R2224CP

Implementation Date: July 5, 2011

July 2011 Integrated Outpatient Code Editor (I/OCE) Specifications Version 12.2

Note: This article was updated on August 20, 2012, to reflect current Web addresses. It was previously revised on August 8, 2011, to add a reference to MM7443 (<https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7443.pdf>) for the changes to various payment policies and billing instructions implemented in the July 2011 OPPS update. All other information remains the same.

Provider Types Affected

This article is for providers submitting claims to Medicare contractors (Fiscal Intermediaries (FIs), Medicare Administrative Contractors (MACs), and/or Regional Home Health Intermediaries (RHHIs)) for outpatient services provided to Medicare beneficiaries and paid under the Outpatient Prospective Payment System (OPPS) and for outpatient claims from any non-OPPS provider not paid under the OPPS, and for claims for limited services when provided in a Home Health Agency (HHA) not

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under the Home Health Prospective Payment System or claims for services to a hospice patient for the treatment of a non-terminal illness.

Provider Action Needed

This article is based on Change Request (CR) 7439, which describes changes to the I/OCE and OPSS to be implemented in the July 2011 OPSS and I/OCE updates. Be sure your billing staff is aware of these changes.

Background

CR7439 describes changes to billing instructions for various payment policies implemented in the July 2011 OPSS update. The July 2011 Integrated Outpatient Code Editor (I/OCE) changes are also discussed in CR7439.

Note: The full list of I/OCE specifications can now be found at <http://www.cms.gov/Medicare/Coding/OutpatientCodeEdit/index.html> on the Centers for Medicare & Medicaid Services (CMS) website. In addition, numerous changes to Ambulatory Payment Classification (APC), HCPCS and CPT Codes, effective with the July 2011 I/OCE, are also listed in the Summary of Data Changes document attached to CR7439. The CR is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2224CP.pdf> on the CMS website.

A summary of the I/OCE modifications for July 2011 is within Appendix M, which is attached to CR7439 and is summarized as follows:

- Effective January 1, 2011, Medicare will:
 - Implement logic to set Payment Adjustment Flag (PAF) 4:
 - If modifier 'PT' is present on any CPT code in the range 10000 – 69999 on a claim, apply PAF 4 to all codes in the range with the same date of service as the code with modifier PT. Exception: Do not apply PAF 4 to a line if any other PAF is applicable/already applied to the same line;
 - Add code G0010 to the list for PAF 9 (Deductible/Co-insurance not applicable).
- Effective July 1, 2011, Medicare will:
 - Make HCPCS/APC/SI changes (See the Summary of Data Changes attached to CR7439.);
 - Implement version 17.1 of the NCCI (as modified for applicable institutional providers). Edits 19, 20, 39 and 40 are affected; and

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- Update procedure/device and device/procedure edit requirements. Edits 71 and 77 are affected.

Additional Information

The official instruction, CR7439 issued to your Medicare MAC, RHHI or FI regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2224CP.pdf> on the CMS website.

If you have any questions, please contact your Medicare MAC, RHHI or FI at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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