

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



News Flash –

REVISED product from the Medicare Learning Network® (MLN)

- [“Medicare Fee-For-Service \(FFS\) Physicians and Non-Physician Practitioners: Protecting Your Privacy – Protecting Your Medicare Enrollment Record,”](#) Fact Sheet, ICN 903765, Downloadable only

MLN Matters® Number: MM7700 Revised

Related Change Request (CR) #: 7700

Related CR Release Date: August 8, 2012

Effective Date: Claims received with an "E" code on or after January 1, 2013

Related CR Transmittal #: R2515CP

Implementation Date: April 1, 2013

Handling Form CMS-1500 Claims Where an ICD-9-CM "E" Code is Reported as the First Diagnosis on the Claim

Note: This article was updated on April 15, 2014, to show that the Coordination of Benefits Contractor (COBC) is now known as the Benefits Coordination and Recovery Center (BCRC). All other information remains unchanged.

Provider Types Affected

Physicians, providers, and suppliers who submit Medicare claims to Medicare Carriers, Medicare Administrative Contractors (A/B MACs), and/or Durable Medical Equipment MACs (DME MACs) using the paper claim Form CMS-1500.

Provider Action Needed

This Change Request (CR) 7700 provides new instructions to return as unprocessable claims submitted on the Form CMS-1500 where an ICD-9-CM "E"

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Code (external causes of injury and poisoning) is reported as the first/principal diagnosis on the claim.

Background

CR7700 will bring the policy for handling form CMS-1500 claims into alignment with the policy for handling claims initially submitted in electronic format. The ICD-9-CM code set prohibits an “E” code from being reported as principal diagnosis (first-listed) on a claim. This guidance also applies to V00-Y99 (external causes of morbidity) equivalent ICD-10 CM diagnosis codes. Therefore, if an “E” code or V00-Y99 range ICD-10 CM diagnosis code is the first listed diagnosis code on the CMS-1500, the claim would not conform to the ICD-9-CM code set and electronic transmission of the electronic claim to a Coordination of Benefits Agreement (COBA) trading partner would not be Health Insurance Portability and Accountability Act (HIPAA) compliant.

Claims initially submitted as electronic claims will, effective April 1, 2012, be rejected in accordance with an edit established by CMS CR7596 when the principal (first) diagnosis code presented in the diagnosis code field is an “E” code or, effective with the implementation of ICD-10, when the principal (first) diagnosis is a code within the code range V00-Y99 of the ICD-10- CM code set. This procedure will prevent those non-HIPAA compliant claims from being adjudicated and then transmitted to the Benefits Coordination and Recovery Center (BCRC), formerly known as the Coordination of Benefits Contractor (COBC), for COBA crossover purposes. CR7700 applies this reasoning to claims submitted on CMS-1500 on or after January 1, 2013.

Key Points

Be aware of the following:

- For claims received via form CMS-1500 on or after April January 1, 2013, Medicare contractors will return as unprocessable claims for items or services where a diagnosis code is required and the diagnosis code reported in the Number 1 field of Item 21 of the Form CMS-1500 is an ICD-9-CM “E” code (external causes of injury and poisoning) or, upon ICD-10 implementation, an ICD-10 CM code within the code range of V00-Y99
- Reprocessed/adjustment claims failing these edits will be denied.
- Claims returned or denied as a result of these edits will show remittance advice remarks code message MA63 (Missing/incomplete/invalid principal diagnosis) and claim adjustment reason code 16 (Claim/service lacks information which is needed for adjudication).

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Additional Information

The official instruction, CR7700, issued to your Medicare contractor regarding this change is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2515CP.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.

If you have any questions, please contact your Medicare contractor at their toll-free number, which is available 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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