

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



MLN Matters® Number: MM9553 Revised **Related Change Request (CR) #: CR 9553**
Related CR Release Date: March 22, 2016 **Effective Date: April 1, 2016**
Related CR Transmittal #: R3483CP **Implementation Date: April 4, 2016**

April 2016 Integrated Outpatient Code Editor (I/OCE) Specifications Version 17.1

Note: This article was revised on March 23, 2016, to reflect the revised CR9553, issued on March 22. In the article, the transmittal number, CR issue date, and the Web address for accessing CR9553 are revised. In addition, a row was added to the table at the top of page 6 to show added editing for NCD effective date for code G0475. All other information remains the same.

Provider Types Affected

This MLN Matters® Article is intended for providers who submit claims to Medicare Administrative Contractors (MACs), including Home Health and Hospices (HH+H) MACs, for services provided to Medicare beneficiaries.

What You Need to Know

Change Request (CR) 9553 provides the Integrated Outpatient Code Editor (I/OCE) instructions and specifications that will be used under the Outpatient Prospective Payment System (OPPS) and Non-OPPS for hospital outpatient departments, community mental health centers, all non-OPPS providers, and for limited services when provided in a Home Health Agency (HHA) not under the Home Health Prospective Payment System or to a hospice patient for the treatment of a non-terminal illness. Make sure that your billing staffs are aware of these changes. The I/OCE specifications will be posted at <http://www.cms.gov/OutpatientCodeEdit/> on the Centers for Medicare & Medicaid Services (CMS) website. These specifications contain the appendices mentioned in the table below.

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Key Changes for April 2016 I/OCE

The modifications of the IOCE for the April 2016 v17.1 release are summarized in the following table. Note that some I/OCE modifications in the update may be retroactively added to prior releases. If so, the retroactive date appears in the 'Effective Date' column.

Effective Date	Edits Affected	Modification
10/1/2015	2, 3, 86	<p>Update diagnosis editing for ICD-10 diagnosis codes (see quarterly data files, Dx10Map):</p> <ul style="list-style-type: none"> - Removes age restrictions for specific newborn and pediatric diagnosis codes that are to be used throughout the patient's lifetime; - Additions and removal of age edits for specific maternity diagnosis codes; - Removes sex restriction for specific diagnosis codes currently restricted for female patients; and - Additional codes added to the list of manifestation diagnosis codes.
1/1/2016		<p>Implement new logic to identify pass-through drugs and biologicals present for payment offset; output each offset amount condition present with Payer Value codes QR, QS, QT and identify the pass-through drug or biological procedures for payment offset with new payment adjustment flag values (see OPSS special processing logic, Table 5, Table 7 and Appendix G).</p>
1/1/2016		<p>Implement new logic to identify terminated device intensive procedures reported with modifier 73; output the device portion amount with Payer Value code QQ and identify the device intensive procedure reported with modifier 73 with a payment adjustment flag (see OPSS special processing logic, Table 5, Table 7 and Appendix G).</p>
1/1/2016		<p>Implement new logic to identify device credit conditions for device intensive Ambulatory Payment Classifications (APCs) when Condition Code 49, 50 or 53 is present; output the device credit amount with Payer Value code QQ and identify the device intensive procedure with a payment adjustment flag (see OPSS special processing logic, Table 5, Table 7 and Appendix G).</p>

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Effective Date	Edits Affected	Modification
4/1/2016	6, 91	Implement edit 91 for Rural Health Clinic (RHC) claims with bill type 71x to be returned if non-covered services are reported (see special processing logic for FQHC PPS claims, Appendix F (a) and Appendix M); update the description for edit 91 to include RHC. Implement edit 6 for RHC (see Appendix F (a)).
1/1/2016		Update the program logic for CT scan payment reduction when not meeting National Electrical Manufacturers Association (NEMA) standards to assign payment adjustment flag 14 to the multiple imaging composite APC line if CT modifier is not present but there are composite constituent codes present that do report modifier CT (see OPSS special processing logic and Appendix K).
1/1/2016	45	Update the logic for edit 45 to include criteria for inpatient separate procedures reported on the same claim as a comprehensive APC procedure with a Status Indicator (SI) = J1.
1/1/2016		Update Appendix L to include procedure codes with SI = C in the list of non-allowed procedures by SI for OPSS claims.
1/1/2016		Update the program logic for pass-through device payment offset to not provide the offset if the primary comprehensive APC procedure (SI = J1) is not paired with a pass-through device code present on the claim (see OPSS special processing logic and Appendix L).
1/1/2016		Update Appendix E with a note for setting the Payment Method Flag to 2 for laboratory codes with SI = Q4 that result in final assignment of SI = A.
1/1/2016		Update the program logic for comprehensive APC 5881 (inpatient procedure where patient expired) to correctly exclude services designated as comprehensive APC exclusions when reported on the same day when APC 5881 is assigned.
1/1/2015		Update program logic for comprehensive APC processing to recognize modifier 50 for comprehensive APC procedures that may be eligible for complexity adjustment (see Appendix L).

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Effective Date	Edits Affected	Modification
1/1/2016		Update the program logic for Grandfathered Tribal Federally Qualified Health Center (FQHC) claims to identify the single payable visit (payment indicator 14) for each day if the claim contains multiple days (see Appendix M).
1/1/2016		Update the program logic for Grandfathered Tribal FQHC claims to assign the composite adjustment flag only for the single payable visit for the day (see Appendix M).
1/1/2016		<p>Modify the output of the Payer Value Code and Amount field to pass blanks for the Value Code label (QN-QW) and zero-fill the Amount portion of the field if conditions for payment offset are not present on the claim (see Table 5 of the I/OCE specifications).</p> <p>Note: If conditions for edit 24 (Date out of OCE range) are present, Payer Value Code and Amount is blank (no zero-fill).</p>
1/1/2016		<p>Add the following new Payer Value Codes to the field output (see Table 5):</p> <ul style="list-style-type: none"> - QP: Placeholder reserved for future use - QQ: Terminated procedure with pass-through device OR condition for device credit present - QR: First APC pass-through drug or biological offset - QS: Second APC pass-through drug or biological offset - QT: Third APC pass-through drug or biological offset <p>Revise the following Payer Value Code descriptions:</p> <ul style="list-style-type: none"> - QN: First APC device offset - QO: Second APC device offset

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1/1/2016		<p>Add the following new Payment Adjustment Flag values (see Table 7 and Appendix G):</p> <ul style="list-style-type: none"> - 15: Placeholder reserved for future use - 16: Terminated procedure with pass-through device - 17: Condition for device credit present - 18: Offset for first pass-through drug or biological - 19: Offset for second pass-through drug or biological - 20: Offset for third pass-through drug or biological <p>Revise the following Payment Adjustment Flag descriptions:</p> <ul style="list-style-type: none"> - 12: Offset for first device pass-through - 13: Offset for second device pass-through
1/1/2016		<p>Correction of the issue with the interactive PC IOCE product that caused claims to not complete processing to the output report when the pass-through device offset amount was greater than \$999.99.</p>
1/1/2016		<p>The following clarifying information is added (no change to software program logic):</p> <ul style="list-style-type: none"> - Direct Referral logic to include J1 procedures (page 46) with the SI = T criteria - Critical Care packaged ancillary codes (page 11): update SI values for codes subject to modifier 59 exception. - Conditionally packaged laboratory codes (page 12): laboratory codes that are always packaged with SI = N, and removal of SI J1 and J2 (comprehensive APCs) from list of OPPS services by SI under which laboratory codes with SI = Q4 are changed to SI = A for claims with bill type 13x.
11/24/2015	67	<p>Add mid-quarter editing for Food and Drug Administration (FDA) approval of code 90653 (SI changed to L).</p>

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Effective Date	Edits Affected	Modification
4/13/2015	68	Add mid-quarter editing for NCD effective date for code G0475.
4/1/2016		Update the following procedure lists for the release (see quarterly data files): <ul style="list-style-type: none"> - Procedures not recognized under OPPS (SI=B) - Conditionally packaged laboratory services (SI=Q4) - FQHC non-covered services - Device offset pairs - Device list (edit 92) - Comprehensive APC exclusions - New pass-through drug and biological/APC offset - New device intensive procedures for terminated procedure and device credit (Value Code QQ)
4/1/2016		Make all HCPCS/APC/SI changes as specified by CMS (quarterly data files).
4/1/2016	20, 40	Implement version 22.1 of the NCCI (as modified for applicable outpatient institutional providers).

Note: Readers should also read through the entire document and note the highlighted sections, which also indicate changes from the prior release of the software.

Additional Information

The official instruction, CR9553, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3483CP.pdf> on the CMS website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html> under - How Does It Work.

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Document History

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March 23	The article was revised to reflect the revised CR9553, issued on March 22. In the article, the transmittal number, issue date, and the Web address for accessing CR9553 are revised. In addition, a row was added to the table at the top of page 6 to show added editing for NCD effective date for code G0475.
March 14	Initial Issuance

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