

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



In September 2012, the Centers for Medicare & Medicaid Services (CMS) announced the availability of a new electronic mailing list for those who refer Medicare beneficiaries for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS). Referral agents play a critical role in providing information and services to Medicare beneficiaries. To ensure you give Medicare patients the most current DMEPOS Competitive Bidding Program information, CMS strongly encourages you to review the information sent from this new electronic mailing list. In addition, please share the information you receive from the mailing list and the link to the ["mailing list for referral agents"](#) subscriber webpage with others who refer Medicare beneficiaries for DMEPOS. Thank you for signing up!

MLN Matters® Number: MM8279

Related Change Request (CR) #: CR 8279

Related CR Release Date: August 5, 2013

Effective Date: January 1, 2014

Related CR Transmittal #: R2756CP

Implementation Date: January 6, 2014

Revision to the ViPS Medicare System Diagnosis Code Editing on the CMS-1500

Provider Types Affected

This MLN Matters® Article is intended for suppliers submitting claims to Medicare contractors (Durable Medical Equipment Medicare Administrative Contractors (DME MACs)) for services to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 8279 which informs Medicare DME MACs about the changes to claims processing edits which require that claims must contain correct diagnosis codes and such codes may not be truncated. In addition, all service diagnosis codes reported on the claim line must be pointed to a valid diagnosis code in the header. Claims submitted on CMS Form-1500, with dates of service on and after January 1, 2014, that contain an invalid header-level diagnosis code will be returned as unprocessable. Make sure that your billing staffs are aware of these changes.

Disclaimer

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Background

CR8279 provides instructions for handling claims submitted on a CMS Form-1500 that have an invalid, header-level, diagnosis code. In the "Medicare Claims Processing Manual," Chapter 1, Section 80.3.2.1.2, CMS requires that claims submitted with an incorrect or truncated diagnosis code in item 21 of the CMS Form-1500 be returned to the provider as "unprocessable." Currently, Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) claims have been processed and replicated where an invalid diagnosis code was present in the claim header and there was no diagnosis pointer on any service line pointing to the invalid diagnosis code. The processing resulted in the passing on of invalid diagnosis codes and splitting of the claim. CR7700 corrected this issue for claims that are crossed to a Coordination of Benefits Agreement (COBA) trading partner for coordination of benefits purposes, but the issue remained for all other DMEPOS claims.

CR8279 instructs DMEPOS contractors to return as "unprocessable," claims that contain an incorrect or truncated diagnosis code in item 21 of the CMS Form-1500. When returning such claims, your DME MAC will use the following messages:

- Claim Adjustment Reason Code 16 (Claim/service lacks information which is needed for adjudication.);
- Remittance Advice Remarks Code (RARC) 76 (Missing/incomplete/invalid principal diagnosis.);
- RARC MA130 (Your claim contains incomplete and/or invalid information, and no appeal rights are afforded because the claim is unprocessable. Please submit a new claim with the complete/correct information.); and
- Group Code CO (Contractual Obligation).

Additional Information

The official instruction, CR8279 issued to your DME/MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2756CP.pdf> on the CMS website.

If you have any questions, please contact your DME/MAC 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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