



Medicare Plans to Modernize Payment Grouping and Code Editor Software

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PROVIDER TYPES AFFECTED

This MLN Matters Article is for providers submitting institutional claims to Medicare Administrative Contractors (MACs). This article is primarily for the software vendors and others who support these providers with claims processing systems.

WHAT YOU NEED TO KNOW

The Centers for Medicare & Medicaid Services (CMS) is modernizing its grouping and code editor software. Medicare processes all Original Medicare institutional claims through one of three sub-systems within the Fiscal Intermediary Shared System (FISS):

- The Medicare Code Editor (MCE)
- The Inpatient Grouper (MS-DRG)
- The Integrated Outpatient Code Editor (IOCE).

These sub-systems are built with an antiquated programming language (Assembler) that is difficult to extend, maintain, support and test. Modernizing these programs will protect CMS from future quality and integration risks.

BACKGROUND

During 2018, CMS conducted a proof of concept project to test the viability of replacing the Assembler MS-DRG Grouper program with a Java version of Grouper. The project was successful, integrating the Java module into the CICS COBOL mainframe environment of FISS. CMS identified best practices for software that can run in a multi-threaded, shared Java Virtual Machine (JVM) environment and allow the Medicare data centers that run this software to improve the flexibility of their own systems to better accommodate this software.

Based on this success, CMS is moving forward with converting all Assembler-based grouping and code editor software to Java versions. Because these programs are used by a variety of external stakeholders, including billing software vendors and other payers, CMS is releasing this

article to provide information about planned conversion schedule for affected stakeholders. Since the schedule extends over several years, the final implementation dates are subject to change. CMS wants to make stakeholders aware of our current schedule and will provide updates as the project progresses.

First Step – Java Home Health Grouper

The first step in the process will not be a conversion, but the incorporation of the Java-based Home Health (HH) Grouper into Medicare claims processing systems. \ This software is currently used at home health agency sites and in the Quality Improvement Evaluation System (QIES). CMS will incorporate this software into FISS as part of the implementation of the HH Patient-Driven Groupings Model effective January 1, 2020. CR 11081 describes this change. (See the related MLN Matters article at <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/mm11081.pdf>.)

After the Java-based HH Grouper is in FISS, it will generate the Health Insurance Prospective Payment System (HIPPS) code used for payment on Medicare HH claims. The HH Grouper will no longer be maintained in QIES and HIPPS codes will no longer be returned on assessment validation reports. HHAs may still wish to use the HH Grouper as part of their billing software to calculate accounts receivable amounts. To support this function, CMS will post the Java source code for the HH Grouper on the CMS website, just as it is today. (See <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HomeHealthPPS/CaseMixGrouperSoftware.html>.)

Conversion of MCE and MS-DRG Grouper

CMS plans for the conversion of hospital inpatient claim software, the MCE and MS-DRG Grouper to begin after the HH implementation is complete. Since these two programs work in concert in the processing of Inpatient Prospective Payment System (IPPS) claims, there are efficiencies in converting them at the same time. CMS will test a converted Java version of MCE and MS-DRG Grouper in early 2021. A public version of this test software will be available in March 2021.

CMS expects to implement a fully converted Java re-write of both MCE and MS-DRG Grouper software with version 39, scheduled for October 1, 2021. To allow external stakeholders additional time for transition and testing, the Assembler version of version 39 will be provided to the public. Beginning with version 40 in October 2022, CMS will distribute the Java version of the programs to stakeholders via the CMS website.

Conversion of the IOCE

Given the complexity of the business logic and the high volume of claims affected by the IOCE, CMS plans to convert this program only after the successful conversion of the others. This will apply any lessons learned and best practices identified in the earlier stages to the IOCE.

CMS plans to test a converted Java version of IOCE during 2022. A public version of this test software is expected to be available in July 2022. The fully converted Java re-write of the IOCE

is planned for implementation with version 24, effective January 2, 2023. CMS will provide an Assembler version of version 24 to stakeholders in tandem with this implementation. Beginning with version 24.1 in April 2023, only the Java version of the IOCE will be available to stakeholders via the CMS website. At this point, CMS' retirement of Assembler-based code editing and grouping software will be complete.

Proposed Conversion Schedule Summary

Program	Last Assembler Release*	Java-only Release
HH Grouper	n/a	v.1, January 2020
Medicare Code Editor (MCE)	v.39, October 2021	v.40, October 2022
MS-DRG Grouper	v.39, October 2021	v.40, October 2022
Integrated Outpatient Code Editor (IOCE)	v.24, January 2023	v.24.1, April 2023

* An Assembler version of this release will be available to providers and their software vendors while the corresponding Java version is used in Medicare systems.

ADDITIONAL INFORMATION

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>. You may also send questions to the several email addresses listed as you scroll through <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HomeHealthPPS/CaseMixGrouperSoftware.html>.

DOCUMENT HISTORY

Date of Change	Description
July 10, 2019	Initial article released.

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