

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
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CENTER FOR MEDICARE

DATE: July 16, 2021

TO: All Medicare Advantage, Cost, PACE, and Demonstration Organizations Systems Staff

FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group

SUBJECT: Encounter Data Software Release Updates: Announcement of changes to Edit 20495 and Edit 01415, and update on Type of Bill 87X for risk adjustment

The Centers for Medicare and Medicaid Services (CMS) continues to implement software improvements to the systems related to accepting and processing encounter data to support the Medicare Advantage (MA) program. The changes described to Edits 20495 and 01415 are effective for submissions after May 1, 2021.

CMS is also including an update for the new Type of Bill (TOB) 87X for risk adjustment. The change described regarding TOB 87X is effective for submissions starting January 1, 2021 and diagnoses on encounter data records and chart review records that otherwise pass the filtering logic will be considered eligible for risk adjustment for years in which the final risk adjustment data submission deadline has not passed.

Edit 20495 “Revenue Code Is Non-Billable For TOB”

Edit 20495 is a line level institutional reject edit that would reject encounters when the revenue code is non-billable for the Type of Bill. The edit code has been deactivated. During an ongoing review of edits, it was determined that Edit 20495 should be deactivated because it no longer aligns with current CMS business needs for encounter data submissions.

Edit 01415 “Rendering Provider Not Eligible For DOS”

Edit 01415 is an informational edit applied to professional and institutional encounter data records. This edit code has been deactivated. On November 29, 2019, CMS released an HPMS memo titled, “Announcement of December 2019 Encounter Data Software Release Updates.” In this memo, CMS introduced new edit code 01425, which rejects encounter data when the rendering provider National Provider Identifier (NPI) submitted on Professional, Institutional, and DME Encounters is not found or is invalid within the National Plan and Provider Enumeration System (NPPES) for the ‘from’ date of service. During an ongoing review of edits,

¹Medicare Program CY 2021 Payment Policies Final Rule, 85 FR 84472 (December 28, 2020)
<https://www.federalregister.gov/documents/2020/12/28/2020-26815/medicare-program-cy-2021-payment-policies-under-the-physician-fee-schedule-and-other-changes-to-part>

CMS identified that edit code 01415 is no longer needed because the newer reject edit code 01425 performs the same function.

TOB 87X Freestanding Nonresidential Opioid Treatment Program

Effective January 1, 2021, a new TOB for Freestanding Nonresidential Opioid Treatment Programs (OTPs) was established¹. TOB 87X corresponds to risk adjustment allowable CPT/HCPCS codes G2067-G2075 (a subset of the OTP CPT/HCPCS codes). Therefore, TOB 87X will be identified as risk adjustment allowable for years for which the final risk adjustment data submission deadline has not passed (i.e., PY 2020 and subsequent years).

For TOB 87X records submitted in June 2021 and beyond, MAO-004 reports will reflect the update starting with the report received in July 2021 (June submissions). For encounter data submissions made prior to June 2021, diagnoses from approximately 20 records with TOB 87X were not flagged as allowable for risk adjustment. While any diagnoses on these records that otherwise pass the filtering logic will be considered risk adjustment eligible for future risk score runs, since there were a small number of records affected, CMS will not be re-issuing older MAO-004 Phase 4.0 reports to reflect the correction.

Questions can be submitted to RiskAdjustmentOperations@cms.hhs.gov. Please specify, “Encounter Data Software Release Updates: Announcement of changes to Edit 20495 and Edit 01415, and update on Type of Bill 87X for risk adjustment” in the subject line. Thank you.

¹Medicare Program CY 2021 Payment Policies Final Rule, 85 FR 84472 (December 28, 2020)
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