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**DATE:** May 19, 2021

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

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

**SUBJECT:** Encounter Data Front-end System Updates - Editing the Medicare Assignment Code and Institutional Codes

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 data is collected pursuant to section 422.310(d)(1). The EDFES performs editing of the encounter data record that focuses on the format and structure of the file as well as the validity of certain data elements.

**Medicare Assignment Code**

On April 3, 2021, CMS began editing the Medicare Assignment Code to ensure that the codes are valid for the Service Line Loop (2300) and the Claim (CLM) Segment. This update will ensure that only valid values are submitted. Note that, while the segments in error are rejected, the accepted segments will continue moving through the process. Please see the entry below from the CMS Reference Sheet, which can be found at:

<https://www.cssoperations.com/internet/csscw3.nsf/DID/54CKABNKVQ>.

837I Edit Reference	Segment or Element	TA1/999/277CA	Accept/Reject	Disposition / Error Code	Proposed 5010 Edits
X223.143.2300.CLM07.020	CLM07	999	R	IK403 = 7: "Invalid Code Value"	2300.CLM07 must be valid values.

**Institutional Code Edits**

As stated in 42 CFR §422.310(d)(1), MA organizations must submit data that conform to CMS' requirements for data equivalent to Medicare fee-for-service data, when appropriate, and to all relevant national standards. CMS uses the National Uniform Billing Committee (NUBC) code sets, which are used for medical billing for institutional providers, as part of its submission requirements for encounter data. CMS has added checks to ensure that the receipt date of the

record is within the codes' effective and termination dates, per the NUBC Code sets. This change was effective as of April 5, 2021.

The following NUBC code sets are impacted by this change:

- Condition Codes
- Occurrence Codes
- Occurrence Span Codes
- Value Codes
- Priority (Type) of Admission or Visit Codes
- Point of Origin for Admission or Visit Codes
- Patient Discharge Status Codes

The following language has been added to the existing 277CA reject codes for these code sets:  
*On the receipt date and is within the codes effective and termination date.*

Questions regarding these encounter data front-end system updates should be addressed to [RiskAdjustmentOperations@cms.hhs.gov](mailto:RiskAdjustmentOperations@cms.hhs.gov). Please specify "Encounter Data Front-end System Updates - Editing the Medicare Assignment Code and Institutional Codes" in the email subject line.

Thank you.