DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

CENTER FOR MEDICARE

DATE: June 26, 2020

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

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

SUBJECT: Announcement of Encounter Data System Updates – June 2020

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. This memo provides information on four existing edits in
the back-end processing system of the Medicare Advantage Encounter Data System (EDS).

As part of a recent assessment, CMS determined that four existing reject edits should be
deactivated to allow for recent changes in the range of MA benefits. The codes, descriptions, and
deactivation date for each of the four edits are provided below.

03165 – 'Telehealth Facility Fee Not Payable' – This edit checks for a specific combination of
the place of service code and HCPCS code for professional records. For institutional records, this
edit disallows certain type of bills and, for the allowable type of bills, checks for a specific
revenue codes. This edit was deactivated on March 22, 2020.

18145 – 'Unacceptable Dx Code' – This edit applies to outpatient institutional records and
checks to ensure that diagnosis codes were active for the dates of service on the record. This edit
was deactivated on March 27, 2020.

18315 – 'Item/Service Not Covered Under FQHC' – This edit checks for certain revenue codes
and procedure codes when the service is provided by a Federally Qualified Health Center
(FQHC, type of bill 71X). This edit was deactivated on April 22, 2020.

22375 – 'Item/Service Not Covered For RHC' – This edit checks for certain revenue codes and
procedure codes when the service is provided by a Rural Health Clinic (RHS, type of bill 77X)
and the from date of service is on or after October 1, 2014. This edit was deactivated on April 22,
2020.

Questions can be addressed to encounterdata@cms.hhs.gov, please specify, "Announcement of
Encounter Data System Updates – June 2020" in the subject line.

Thank you.