DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

CENTER FOR MEDICARE
MEDICARE PLAN PAYMENT GROUP

DATE: August 25, 2017

TO: All Medicare Advantage Organizations, PACE Organizations, Medicare-
               Medicaid Plans, Section 1833 Cost Contractors and Section 1876 Cost
               Contractors, and Demonstrations

FROM: Jennifer Harlow, Deputy Director

               Medicare Plan Payment Group

SUBJECT: Encounter Data Software Releases

The Centers for Medicare and Medicaid Services (CMS) continues to implement software improvements to the systems that collect and process encounter data to support the Medicare Advantage program on a routine basis. This letter provides detailed information regarding the release of systems changes that will be implemented on September 29, 2017.

Software improvements can fall into 3 categories: (1) corrections or modifications to the logic for existing edits to align with program policies, (2) changes in the disposition status of existing edits, and (3) implementation of new edits. The two categories of changes in this release are (1) and (3). The new edits in this release are informational edits. Informational edits are intended to provide feedback to submitters; therefore records with an informational edit will not be rejected and will be reflected as accepted on the MAO-002 report. If, in the future, CMS determines that the disposition of an edit must be changed from informational to reject, we will provide notice to submitters prior to implementing the change in disposition status.

Based on feedback from submitters as well as CMS analysis, CMS has modified the logic for edit 98320 – "Chart Review Duplicate" in the upcoming release. Edit 98320 results in a rejected record when a linked chart review record is a duplicate of a previously accepted linked chart review record based on 4 key matching fields. CMS is adding the linking ICN to the duplicate logic matching fields in order to allow submitters to submit more than one linked chart review record (including chart review delete records), each associated with different encounters with the same dates of service.

The Encounter Data Processing System (EDPS) changes are described in the following pages, and will show as changes to the error codes reported on the MAO-002 reports. Please submit questions or comments to EncounterData@cms.hhs.gov with a subject containing *"Encounter Data Software Releases, August 22, 2017"*.

1. Changes to Edit Logic reported on MAO-002 Reports

Edit Code	Description	Effective Date	Modification Type (1=correction/ modification to an existing edit; 2=change in disposition status; 3=new edit)	Modules Edit Applies to (INST, PRF, or DME)	Edit Disposition I=Informational R=Reject
22230	CMS has added informational edit "22230" with description "HH Missing or Multiple CBSA" to post on the MAO-002 report at the encounter header when the following conditions are met: TOB = 32X AND Value Code 61 Is Not present Or Multiple 61 Value Codes are Present	9/29/17	3	INST	I
22235	CMS has added informational edit "22235" with description "HH CBSA Not Greater Than Zero" to post on the MAO-002 report at the encounter header when the following conditions are met: TOB = 32X AND Single Instance of Value Code 61 is present AND Value Code Amount Is Equal to Zeroes	9/29/17	3	INST	I
22240	CMS has added informational edit "22240" with description "HH Invalid CBSA Value After Decimal" to post on the MAO-002 report at the encounter header when the following conditions are met: TOB = 32X AND Single Instance of Value Code 61 is present AND Value Code Amount Contains Value Greater Than Zero In The Cents Portion Of Amount Field NOTE: Example = XXXX.99	9/29/17	3	INST	I

| 22245 | CMS has added the informational edit "22245" with description "HH Invalid CBSA Code" to post on the MAO-002 report at the encounter header when the following conditions are met:
TOB = 32X
AND
Single Instance of Value Code 61 is present
AND
The CBSA Value Code Amount is Greater than Zero to the left of the decimal
AND
Value Code Amount Does Not Contain a Value Greater Than Zero in the Cents Portion of Amount Field
AND
The Value Code Amount is not present on the CBSA table Submitters should populate CBSA codes as follows:
• Provide the CBSA code for the location in which the Home Health (HH) service was provided.
• Value Code '61' should be submitted in the first value code field locator (HI01-2), along with the 5-digit CBSA code in the value code amount field locator (HI01-5).
• For rural areas, a 2-digit State Code may be submitted in the value code amount field locator (HI01-5).
• The CBSA code or State Code, a whole number/non-dollar amount, must be submitted right justified, left of the dollars cents delimiter, followed by two zeros after the delimiter (i.e. XXXXX.00 or XX.00).
• For rural areas, submitters may use '999XX' or 'XX', where "XX" is the state code.

*This edit will be bypassed when CBSA Value Code Amount 99999 is submitted on the encounter. | 9/29/17 | 3 | INST | I |
| 30261 | CMS has updated the edit logic for the informational edit "30261" with error description "Referring Physician NPI is Required" to validate the Referring Provider NPI submitted on the encounter against the NPPES data source. The NPPES data sources contains all valid NPIs, so this change will result in fewer edits posting. This edit will be posted on the encounter header when either of the following conditions are met: | 9/29/17 | 1 | DME | I |

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	• The Referring Physician NPI is NOT submitted in the encounter; OR • The Referring Physician's NPI submitted on the encounter is NOT present in the NPPES data file based on the statement 'From' date of service.				
98320	CMS has updated the logic for the reject edit "98320" with error description "Chart Review Duplicate" to include the Reference ICN in the matching criteria to identify duplicate chart reviews. The edit will be posted on the encounter header when a chart review record contains the exact data values as another existing chart review record based on the following data elements: • HICN • Header Date of Service • Diagnosis code(s) • TOB (Institutional encounters only) • Reference ICN	9/29/17	1	INST, PRF, DME	R

00845	CMS has added the informational error code "00845" with description "Adjustment Must Be a Chart Review" to post on the encounter header when ALL of the following conditions for an institutional encounter are met:
	• Current encounter is non-chart review record with Adjustment Indicator (CLM05-3 = '7')
	• Current encounter contains Reference ICN for a chart review record
	• The prior chart review record is in Accepted status AND
	• The following data elements on the prior chart review record matches the data received on the non-chart review Adjustment encounter:
	   o Linked Internal Control Number (ICN)
	   o Beneficiary HIC Number
	   o Beneficiary Last Name (first 5 characters)
		09/29/17	3	INST	I

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	o Beneficiary First Name (first character)
	    o Type of Bill
	    o Billing Provider NPI
	    o Payer ID				

00845	CMS has added the informational error code "00845" with description "Adjustment Must Be a Chart Review" to post on the encounter header when ALL of the following conditions for a professional encounter are met:
	• Current encounter is a non-chart review record with Adjustment Indicator (CLM05-3 = '7')
	• Current encounter contains Reference ICN for chart review record
	• The prior chart review record is in Accepted status AND
	• The following data elements on the prior chart review record matches the data received on the non-chart review Adjustment encounter:
	    o Linked Internal Control Number (ICN)
	    o Beneficiary HIC Number
	    o Beneficiary Last Name (first 5 characters)
	    o Beneficiary First Name (first character)
	    o Place of Service
	    o Billing Provider NPI
	    o Payer ID
		09/29/2017	3	PRF, DME	I

00850	CMS has added the informational edit "00850" with description "Void Must Be a Chart Review" to post on the encounter header when ALL of the following conditions for an institutional encounter are met: • Current encounter is non-chart review record with Void Indicator (CLM05-3 = '8') • Current encounter contains Reference ICN for a chart review record • The prior chart review record is in Accepted status AND	09/29/2017	3	INST	I

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	• The following data elements on the prior chart review record matches the data received on the non-chart review Void encounter
	    o Linked Internal Control Number (ICN) – header level
	    o Beneficiary HIC Number
	    o Beneficiary Last Name (first 5 characters)
	    o Beneficiary First Name (first character)
	    o Type of Bill
	    o Submitted Charges
	    o Date of Service
	    o Number of encounter lines
	    o Billing Provider NPI
	    o Rendering Provider NPI, if applicable
	    o Payer ID				

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00850	CMS has added the informational edit "00850" with description "Void Must Be a Chart Review" to post on the encounter header when ALL of the following conditions for a professional encounter are met:
	• Current encounter is non-chart review record with Void Indicator (CLM05-3 = '8')
	• Current encounter contains Reference ICN for chart review record
	• The prior chart review record is in Accepted status AND
	• The following data elements on the prior chart review record matches the data received on the non-chart review Void encounter
	    o Linked Internal Control Number (ICN) – header level
	    o Beneficiary HIC Number
	    o Beneficiary Last Name (first 5 characters)
	    o Beneficiary First Name (first character)
	    o Place of Service
	    o Submitted Charges
	    o Date of Service
	    o Number of encounter lines
	    o Billing Provider NPI
	    o Rendering Provider NPI, if applicable
	    o Payer ID
		09/29/2017	3	PRF, DME	I

22380	CMS has added the informational edit "22380" with description "Invalid Condition Code with CC 87" to post on the encounter header when ALL of the following conditions are met: • TOB 72x AND • Condition Code 87 is present AND • Condition Code 71, 72, 73, 74, or 76 is submitted on the same encounter	09/29/2017	3	INST	I

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32050	CMS has added the informational edit "32050" with description "Invalid Modifier with RB" to post on the encounter service line when ANY of the following combination of modifiers is submitted on the same service line: • RB and KE • RB and KY	09/29/2017	3	DME	I
32055	CMS has added the informational edit "32055"with description "Invalid Modifier Combination RB and RR" to post on the encounter service line when the modifiers 'RB' and 'RR' are submitted on the same service line.	09/29/2017	3	DME	I

32060	CMS has added the informational edit "32060" with description "Invalid Oxygen Equipment Billing" to post on the encounter service line when the following conditions occur for the beneficiary:
	• A record is received with a stationary oxygen equipment code; AND
	• Modifier 'QG' is submitted with the stationary oxygen equipment code; AND
	• There exists a record with a portable oxygen equipment code for the same beneficiary in Accepted status; AND
	• Service Line Date of Service (DOS) of the portable oxygen equipment code record meets ANY of the below conditions:
	   o The Service Line 'From' Date of the portable oxygen equipment record is within 30 days prior to the Service Line 'From' Date of the stationary oxygen equipment record; OR
	   o The Service Line 'Through' Date of the portable oxygen equipment record is within 30 days prior to the Service Line 'From' Date of the stationary oxygen equipment record
	OR
	• A record is received with a stationary oxygen equipment code; AND
		09/29/2017	3	DME	I

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	• Modifier 'QG' is submitted with the stationary oxygen equipment code; AND
	• A portable oxygen equipment code is <u>received on the same record</u>; AND
	• Service Line DOS of the portable oxygen equipment code meets ANY of the below conditions:
	    o The Service Line 'From' Date of the portable oxygen equipment is within 30 days prior to the Service Line 'From' Date of the stationary oxygen equipment; OR
	    o The Service Line 'Through' Date of the portable oxygen equipment is within 30 days prior to the Service Line 'From' Date of the Stationary oxygen equipment
	OR
	• A record is received with a portable oxygen equipment code; AND
	• There exists a record for stationary oxygen equipment code with 'QG' modifier for the same beneficiary in <u>Accepted status</u>; AND
	• Service Line DOS of the stationary oxygen equipment code record meets ANY of the below conditions:
	    o The Service Line 'From' Date of the stationary oxygen equipment record is within 30 days prior to the Service Line 'From' Date of the portable oxygen equipment record; OR
	    o The Service Line 'Through' Date of the stationary oxygen equipment record is within 30 days prior to the Service Line 'From' Date of the portable oxygen equipment record
	OR
	• A record is received with a portable oxygen equipment code; AND
	• A stationary oxygen equipment code with 'QG' modifier is <u>received on the same record</u>; AND				

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	• Service Line DOS of the stationary oxygen equipment code meets ANY of the below conditions:
	  o The Service Line 'From' Date of the stationary oxygen equipment is within 30 days prior to the Service Line 'From' Date of the portable oxygen equipment; OR
	  o The Service Line 'Through' Date of the stationary oxygen equipment is within 30 days prior to the Service Line 'From' Date of the portable oxygen equipment
	* Stationary oxygen equipment codes: E0424, E0439, E1390, E1391
	* Portable oxygen equipment codes: E0431, E0433, E0434, E1392, K0738				

| 32065 | CMS has added the informational edit "32065" with description "Required QF Modifier is Missing" to post on the encounter service line when the following conditions occur for a beneficiary: A record is received with a stationary oxygen equipment code and 'QF' modifier; AND There exists a record with a portable oxygen equipment code for the same beneficiary in Accepted status; AND Modifier 'QF' is NOT submitted with the portable oxygen equipment code; AND Service Line DOS of the portable oxygen equipment code record meets ANY of the below conditions: The Service Line 'From' Date of the portable oxygen equipment record is within 30 days prior to the Service Line 'From' Date of the stationary oxygen equipment record; OR The Service Line 'Through' Date of the portable oxygen equipment record is within 30 days prior to the Service Line 'From' Date of the stationary oxygen equipment record **OR** A record is received with a stationary oxygen equipment code and 'QF' modifier; AND A portable oxygen equipment code is received on the same record; AND Modifier 'QF' is NOT submitted with the portable oxygen equipment code; AND Service Line DOS of the portable oxygen equipment code meets ANY of the below conditions: The Service Line 'From' Date of the portable oxygen equipment is within 30 days prior to the Service Line 'From' Date of the stationary oxygen equipment; OR The Service Line 'Through' Date of the portable oxygen equipment is within 30 days prior to the Service Line 'From' Date of the stationary oxygen equipment **OR** A record is received with a portable oxygen equipment code with 'QF' modifier; AND There exists a record with a stationary oxygen equipment code for the same beneficiary in Accepted status; AND | 9/29/2017 | 3 | DME | I |

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	• Modifier 'QF' is NOT submitted with the stationary oxygen equipment code record; AND
	• Service Line DOS of the stationary oxygen equipment code record meets ANY of the below conditions:
	  o The Service Line 'From' Date of the stationary oxygen equipment record is within 30 days prior to the Service Line 'From' Date of the portable oxygen equipment record; OR
	  o The Service Line 'Through' Date of the stationary oxygen equipment record is within 30 days prior to the Service Line 'From' Date of the portable oxygen equipment record
	OR
	• A record is received with a portable oxygen equipment code with 'QF' modifier; AND
	• A stationary oxygen equipment code is received on the same record; AND
	• Modifier 'QF' is NOT submitted with the stationary oxygen equipment code; AND
	• Service Line DOS of the stationary oxygen equipment code meets ANY of the below conditions:
	  o The Service Line 'From' Date of the stationary oxygen equipment is within 30 days prior to the Service Line 'From' Date of the portable oxygen equipment; OR
	  o The Service Line 'Through' Date of the stationary oxygen equipment is within 30 days prior to the Service Line 'From' Date of the portable oxygen equipment
	* Stationary oxygen equipment codes: E0424, E0439, E1390, E1391
	* Portable oxygen equipment codes: E0431, E0433, E0434, E1392, K0738				

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32070	CMS has added the informational edit "32070" at the header level to identify service lines submitted on a DME encounter with a non-DME HCPCS code. A non-DME HCPCS code will be a HCPCS code that exists on the Medicare Physician Fee Schedule (MPFS) and does not exist on the DMEPOS, DMEPEN fees schedules, and/or ASP pricing file.	9/29/2017	3	DME	I