



## Department of Medicaid

John R. Kasich, Governor

John B. McCarthy, Director

### Hospital Handbook Transmittal Letter (HHTL) No. 3352-15-09

To: All Hospital Providers  
Directors, County Departments of Job and Family Services

From: John B. McCarthy, Director

Subject: The National Correct Coding Initiative

This Hospital Handbook Transmittal Letter (HHTL) provides information pertaining to the Ohio Department of Medicaid's (ODM) implementation of the National Correct Coding Initiative (NCCI) against outpatient hospital claims.

#### Summary

Effective January 1, 2016, the Ohio Department of Medicaid will implement in real time the edit and coding methodologies of the National Correct Coding Initiative (NCCI), required by Section 6507 of the Affordable Care Act of 2010. NCCI is a national program that consists of coding policies and edits. Each state Medicaid program is required to implement compatible methodologies of the NCCI to promote correct coding, and to control improper coding leading to inappropriate payment. NCCI policies and edits are applied against claims for procedures/services performed by the same provider for the same recipients on the same date of service. The NCCI analyzes and edits claims based upon Healthcare Common Procedure Coding System (HCPCS)/ Current Procedural Terminology (CPT) codes reported by outpatient providers for procedures/services performed on Medicaid recipients. The coding policies of NCCI are based on coding conventions defined in the American Medical Association's Current Procedural Terminology Manual, coding guidelines developed by national societies, standard medical and surgical practice, and/or current coding practice.

#### Edits

NCCI methodologies consists of two types of edits:

1. Procedure-to-procedure (PTP): Edits that define pairs of HCPCS/CPT codes that should not be reported together. NCCI methodologies for this edit are applied to current and historical claims.
2. Medically Unlikely Edits (MUEs): Edits that define, for many HCPCS/CPT codes, the maximum number of units of service that are, under most circumstances, billable by the same provider, for the same recipient on the same date of service.

Billed detail claim lines with a unit-of-service value greater than the established MUE value for the HCPCS/CPT code OR a pair of HCPCS/CPT codes that should not be reported together will result in that detail line being denied for payment.

The following Explanation of Benefits (EOB) will be reported if a detail line on a claim has denied because of an MUE or PTP edit:

- EOB 7222: The current procedure is denied based on an NCCI edit because this service is not payable with another service on the same claim for the same date of service.
- EOB 7223: The current procedure is denied based on an NCCI edit because this service is not payable with another service on a history claim for the same date of service.
- EOB 7224: A historical procedure for the same date of service would have been denied based on an NCCI edit because that service is not payable with this current service.
- EOB 7227: The current procedure is denied based on an NCCI edit because the units of service exceed the medically unlikely limit per claim detail for the same date of service.

## Modifiers

There are two Correct Coding Modifier Indicators (CCMI):

1. CCMI indicator 0: the reported CPT codes should never be reported together by the same provider for the same recipient on the same date of service.
2. CCMI indicator 1: the reported CPT codes may be reported together only in defined circumstances which are identified on the claim by the use of specific NCCI-associated modifiers.

PTP edit files includes a column which identifies if the combination of CPT codes billed is allowed with a CCMI (0 = not allowed, 1 = allowed, 9 = not applicable).

## Modifier 59 and X-Modifiers

Effective for claims with dates of service on or after January 1, 2016, the following modifiers were developed to provide greater reporting specificity in situations where modifier 59 was previously reported. Eventually NCCI will require the use of these modifiers rather than modifier 59 with certain edits. One of the following modifiers may be utilized in lieu of modifier 59 whenever possible:

1. XE - "Separate encounter, A service that is distinct because it occurred during a separate encounter" This modifier should only be used to describe separate encounters on the same date of service.
2. XS - "Separate Structure, A service that is distinct because it was performed on a separate organ/structure".
3. XP - "Separate Practitioner, A service that is distinct because it was performed by a different practitioner".
4. XU - "Unusual Non-Overlapping Service, The use of a service that is distinct because it does not overlap usual components of the main service".

The following EOB will be reported if a detail line on a claim has denied because it has more than one of the new X-modifiers reported or if modifier 59 is reported along with an X-modifier, on the same date of service:

- EOB 4068: The procedure with any combination of modifiers 59, XE, XP, XS, and XU is not payable on the same date of service on the same detail.

**Additional Information**

All currently active Medicaid PTP edits and MUEs, as well as information about the NCCI program are published on the Medicaid NCCI webpage at: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/National-Correct-Coding-Initiative.html>. These files are updated on a quarterly basis. The PTP edit files contain the effective date of every edit and the deletion date of prior edits. This information can be used to verify whether a particular PTP edit was valid on the date of service of the claim in question and whether use of a PTP-associated modifier would allow the claim to bypass the edit. The MUE edit files are applicable to claims processed in the current quarter and with dates of service in the current quarter. MUE edit files do not contain historical information.

It is important that providers access the Medicaid NCCI edit file at the above webpage and not the Medicare NCCI files on the CMS webpage. Medicaid NCCI edits are significantly different from Medicare NCCI edits.

**Access to Rules and Related Material**

The main web page of the Ohio Department of Medicaid (ODM) includes links to valuable information about its services and programs; the address is <http://medicaid.ohio.gov/>

**Additional Information**

Questions pertaining to this letter should be addressed to: [hospital\\_policy@medicaid.ohio.gov](mailto:hospital_policy@medicaid.ohio.gov) or

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