



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

INFORMATIONAL LETTER NO. 941

DATE: September 13, 2010

TO: Iowa Medicaid Providers Billing on UB 04 (Institutional) Claim Form

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Implementation of National Correct Coding Initiative (NCCI) and Compliance with CPT, AMA, and National Coding Guidelines

EFFECTIVE: October 1, 2010

The federal Patient Protection and Affordable Care Act, passed into law earlier this year, mandates that effective for claims filed on or after October 1, 2010, State Medicaid Agencies must incorporate and apply editing methodologies of the NCCI. The Centers for Medicare and Medicaid Services (CMS) has been charged by Congress with the responsibility for defining the adjudication rules, provider categories and claim types that will be subject to the NCCI edits.

Iowa Medicaid, like all other State Medicaid agencies, will be required to enforce these edits within the claims processing environment. Two types of edits are mandated in the law: procedure-to-procedure and unit of service. The potential exists that these edits could impact your claims filed on or after October 1, 2010.

While there are some details yet to emerge, we hope the changes to Iowa Medicaid providers will be minimal: all Medicare providers have been subject to this editing since 1996. In addition, the IME already implemented significant NCCI editing processes for professional claims effective July 1, 2010 (Informational Letters 875, 882 and 912) and when the IME switched Institutional claims during to the Ambulatory Payment Classifications (APC) payment methodology effective October 1, 2008 (Informational Letters 748 and 749).

This communication is subject to possible new/additional guidance from CMS. The specific CMS direction to State Medicaid Directors is available on the CMS website at: <http://www.cms.gov/SMDL/SMD/>. The NCCI Medicaid letter is dated September 1, 2010.

More information regarding Iowa Medicaid's implementation of the National Correct Coding Initiative can be found at: <http://www.ime.state.ia.us/Providers/CCI.html>. Additional information from CMS is available at <http://www.cms.hhs.gov/NationalCorrectCodInitEd/> (including <http://www.cms.hhs.gov/manuals/downloads/clm104c12.pdf> relating to the appropriate use of the modifiers) and WPS Medicare at: <http://www.wpsmedicare.com/j5macpartb/training/resources/modifiers>.

If you have any questions, please contact the IME Provider Services Unit, 1-800-338-7909, locally 515-256-4609 or by e-mail at imeproviderservices@dhs.state.ia.us