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: September 27, 2016

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

FROM: Cheri Rice, Director
Medicare Plan Payment Group

SUBJECT: CORRECTION - Encounter Data Software Releases

This memo serves to make a correction to the software release memo released July 8, 2016. The July memo provided detailed information regarding the release of system changes implemented between September 2015 and July 2016. In this memo, CMS is correcting the descriptor for Encounter Data Processing System (EDPS) edit 98300. The descriptor for edit 98300 provided in the July memo was incorrect and should read "Exact Inpatient Duplicate Encounter".

At this time, we are re-distributing the memo in its entirety with the correct descriptor for edit 98300. No additional changes have been made to the text of the July memo.

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 program. This letter provides detailed information regarding the release of systems changes implemented September 2015 through July 2016. Please note that many of these changes were described in the EDPS Bulletin posted on the CSSC website in September 2015 and in the Newsletter for EDS and RAPS in January 2016.

The Encounter Data Processing System (EDPS) changes are as follows and may require Plan action:

1. Changes to Encounter Data MAO-004 Reports
2. Changes to Error Codes Reported on MAO-002 Reports

1. Changes to Encounter Data MAO-004 Reports

CMS will make changes to the Encounter Data Diagnoses Eligible for Risk Adjustment Report (MAO-004). In the header level part of the report, the Submission Interchange Number field (Header #11) will be changed to a filler. We will explore adding this number at a later date, but will not be including this number at this point. In the detail level part of the report, the Replacement Encounter Switch field (Detail #11) will be renamed "Encounter Type Switch," to support the reporting of other encounter data record (EDR) types – non-chart review encounters, chart review encounters and voids, replacements. A new field will be added to the report for an "Add"/"Delete" flag to identify diagnosis additions and

deletions. Revised MAO-004 reports will be sent to plans in the fall.

2. Changes to Error Codes reported on MAO-002 Reports

Edit Code	Description	Effective Date	Modules Edit Applies to (INST, PRF, or DME)	Edit Disposition I = Informational R = Reject
00699	CMS modified the validation logic of void EDRs. This error will post when the data elements listed below from a void EDR, chart review and non-chart review, do not match the previously submitted and accepted EDR that the record is intended to void. This edit will not post if any of the beneficiary demographic data elements are changed since the processing of the original encounter (i.e. HIC Number, Last Name and/or First Name). **Data elements to match for Void EDRs**: • Linked Internal Control Number (ICN) – header level • Beneficiary HIC Number -– header level • Beneficiary Last name (first 5 characters) – header level • Beneficiary First Name (first character) – header level • Type of Bill **(INST only)** – header level • Place of Service **(PRF/DME only)** – header level • Submitted charges – header level • Date of Service – header level • Number of encounter lines – line level As of the February 2016 release, the following data elements were added for this validation:	09/04/2015 & 02/12/2016	INST PRF DME	R

	• Billing Provider NPI – header level • Rendering Provider NPI, if applicable – header level • Payer ID Note: Logic applies to chart review and non-chart review encounters.			
00775 *	CMS added validation logic for replacement EDRs and implemented a new reject error code 00775 - "Unable to Adjust Rejected Encounter". This error will post when a replacement EDR or chart review record is attempting to replace a previously submitted EDR stored in a reject status.	09/04/2015	INST PRF DME	R
00780	CMS added validation logic for replacement EDRs and implemented a new reject error code 00780 - "Adjustment Must Match Original". This error will post when the data elements listed below from a replacement EDR do not match the previously submitted and accepted encounter EDR that the record is intended to replace. This edit will not post if any of the beneficiary demographic data elements are changed since the processing of the original encounter (i.e. HIC Number, Last Name and/or First Name). **Data elements to match for Replacement EDRs:** • Linked Internal Control Number (ICN) – header level • Beneficiary HIC Number – header level • Beneficiary Last name (first 5 characters) – header level • Beneficiary First Name (first character) – header level • Type of Bill **(INST only)** – header level • Place of Service **(PRF/DME only)** – header level As of the February 2016 release, the following data elements were added for this validation:	09/04/2015 & 02/12/2016	INST PRF DME	R

	• Billing Provider NPI – header level • Payer ID			
00785 *	CMS added validation logic for chart review records that are linking to an EDR, and implemented a new reject error code 00785 - "Linked Encounter Not in EODS". This error will post when a chart review record is attempting to link to a previously submitted EDR and the internal control number (ICN) submitted in not found in the system.	09/04/2015	INST PRF DME	R
00790 *	CMS added validation logic for chart review records that are linking to an EDR, and implemented a new reject error code 00790 - "Linked Encounter is Voided/Adjusted". This error will post when a chart review record contains an ICN for a previously-submitted EDR and stored in a void or adjusted status.	09/04/2015	INST PRF DME	R
00795 *	CMS added validation logic for chart review records, specific to the associated parent EDR, and implemented a new reject error code 00795 - "Linked Encounter is Rejected". This error will post when a chart review record contains an ICN for an associated parent encounter previously submitted and stored in a reject status.	09/04/2015	INST PRF DME	R
00800	An original non chart review EDR will be rejected if an ICN or any other data is populated in Loop 2300 REF02 along with REF01='F8'. The descriptor will read: "Parent ICN Not Allowed for Original" Note: While some Medicare Advantage Organizations (MAOs) use the ICN field for their own purposes, there are also cases where MAOs intended to submit voids, replacements, or linked chart reviews, and do not submit the proper claim frequency code or indicate a chart review record. In order to avoid having records with an unclear intent, we will reject records that are not clearly original EDRs.	07/08/2016	INST PRF DME	R

00805	CMS guidance has stated that, when using a chart review record to delete diagnoses from a previously-accepted encounter or chart review record, the record must be linked to the previously-accepted record where the diagnosis was reported. Without the ICN reference to the previous record, CMS does not know which diagnoses should be deleted and cannot use these records when identifying risk adjustment eligible diagnoses. Starting July 8, 2016, CMS will reject unlinked chart review records that are deleting diagnoses. The descriptor will read: "Deleted Diagnosis Code Not Allowed" Note: All unlinked chart review records that are deleting diagnoses will be rejected regardless of claim frequency code. Chart review records that are deleting diagnoses should be submitted with a claim frequency code of "1" and be linked to an encounter data record or chart review record. Linked chart review records that are deleting diagnoses with a status code of "7" will be rejected if the parent chart review is an unlinked chart review. Currently, EDPS is accepting chart review records that are deleting diagnoses with a status code of "7" if they are replacing a linked chart review. These records are treated as replacements at this time. In the future, we plan to reject these records.	07/08/2016	INST PRF DME	R
03125	The EDPS shall post reject error code "03125" along with description "Bilateral Procedure Units Exceed One" to the professional encounter service line when the following conditions exist: • The procedure code submitted on the professional encounter service line corresponds to the bilateral surgery indicator of '2' in the MPFS in EODS And • More than one unit of service is present on the same professional encounter service line	02/12/2016	PRF	R

03140	CMS implemented new informational edit 03140 for "ASC Surgery Procedure Code Missing" to post for **professional** encounters with a Provider Specialty 49 and Place of Service 24 that do not contain a Medicare approved surgical procedure code for an ASC setting. Note: 03140 was originally implemented in the Professional Module on 4/2015. In 2/2016, the edit logic was modified to add 'OR' conditions to ensure that all ancillary services, including drug codes, are submitted with corresponding surgical procedures on the same day.	02/12/2016	PRF	R
03165 *	CMS implemented new reject edit 03165 for "Telehealth Facility Fee Not Payable" to post for **professional and institutional** encounters that contain a procedure code Q3014 (Telehealth Originating Site Facility Fee) without the correct place of service (POS)/type of bill (TOB) as follows: • For professional, POS must be 11 • For institutional, TOB must be 22X, 23X, 71X, 72X, 76X, or 77X Note: EDPS will use the POS data value submitted on the service line when present; otherwise, EDPS will use the POS data value submitted on the header. The EDPS shall post reject error Code "03165" along with error description "Telehealth Facility Fee Not Payable" on a **professional** encounter service line when the following conditions exist: • Procedure code Q3014 (Telehealth Originating Site Facility Fee) is present on the encounter service line And • Place of service '11' is not present on the encounter Note: EDPS will use the POS data value submitted on the service line when present; otherwise, EDPS will use the POS data value submitted on the header.	09/04/2015	INS T PRF	R

	The EDPS shall post error Code "03165" along with error description "Telehealth Facility Fee Not Allowed" on an **institutional** encounter service line that contains the Telehealth Originating Site Facility Fee procedure code Q3014 when the following condition exists: • TOB 11X, 14X, 18X, 21X, 28X, 32X, 34X, 41X, 74X, 75X, 81X, 82X, 83X is present on the encounter OR • TOB 22X, 23X, 71X, 72X, 76X, or 77X is present on the encounter And • Revenue Code 078X is not present on the encounter service line			
03170	CMS implemented new informational edit 03170 for "Modifiers FB/FC Billing Error" to post during validation of encounters with a Provider Specialty 49 and Place of Service 24.	02/12/2016	PRF	I
16070 & 22320	CMS disabled error code 16070 - "ASC Non-Approved Codes" and replaced it with the new error code 22320 - "Missing ASC Procedure Code." Edit 22320 – "Missing ASC Procedure Code" pertains to no covered ASC procedure code present on the encounter (surgery or ancillary service).	02/12/2016 (PRF) 04/03/2015 (INST)	INS T PRF	I
18260	CMS changed the error description of error code 18260, from "Invalid Rev Code" to "HCPCS Required With Submitted Rev Code," to adequately describe the situation when non-Medicare revenue codes are submitted without valid HCPCS codes. These revenue codes will be accepted only when submitted with a valid HCPCS code.	02/02/2016	INST	R

18300 *	CMS implemented new reject edit 18300 for "FQHC Payment Code is Missing" to post for **institutional** encounters, subject to FQHC PPS, that do not contain at least one FQHC payment HCPCS code G0466, G0467, G0468, G0469 or G0470 on a service line for each billed date of service. The edit will post when the following conditions exist: • TOB 77X is present on the encounter • The Statement 'From' date of service **is on or after** October 1, 2014 • The billing provider's PPS effective date **is equal to or greater than** October 1, 2014 • The Statement 'From' date is **on or after** the billing provider's PPS effective date And • At least one FQHC payment HCPCS code G0466, G0467, G0468, G0469 or G0470 **is not** present on an institutional encounter service line for each billed date of service The EDPS shall post reject error code "18300" along with error description "FQHC Payment Code is Missing" on an institutional encounter header when the following conditions exist: • TOB 77X is present on the encounter • The Statement 'From' date of service **is on or after** October 1, 2014 • The billing provider's PPS effective date **is equal to or greater than** October 1, 2014 • The Statement 'From' date is **on or after** the billing provider's PPS effective date And • At least one FQHC payment HCPCS code G0466, G0467, G0468, G0469 or G0470 **is not** present on an institutional encounter service line for each billed date of service	09/04/2015	INST	R

18305 *	CMS implemented new reject edit 18305 for "Invalid/Missing FQHC Qualifying Visit" to post for **institutional** encounters, subject to FQHC PPS, that do not contain a valid qualifying visit code related to the submitted FQHC payment code for the same day. The edit will post when the following conditions exist: • TOB 77X is present on the encounter • The Statement 'From' date of service **is on or after** October 1, 2014 • The billing provider's PPS effective date **is equal to or greater than** October 1, 2014 • The Statement 'From' date is **on or after** the billing provider's PPS effective date • A FQHC payment HCPCS code (G0466, G0467, G0468, G0469 or G0470) is present on an institutional encounter service line And • A valid qualifying visit code related to the submitted FQHC payment code **is not** present on any other service line for the same day on the same encounter Note: See the current CMS approved FQHC qualifying visits. The EDPS shall post error code "18305" along with error description "Invalid/Missing FQHC Qualifying Visit" on an institutional encounter service line containing a FQHC payment HCPCS code (G0466, G0467, G0468, G0469 or G0470) when the following conditions exist:: • TOB 77X is present on the encounter • The Statement 'From' date of service **is on or after** October 1, 2014 • The billing provider's PPS effective date **is equal to or greater than** October 1, 2014	09/04/2015	INST	R

	• The Statement 'From' date is **on or after** the billing provider's PPS effective date • A FQHC payment HCPCS code (G0466, G0467, G0468, G0469 or G0470) is present on an institutional encounter service line And • A valid qualifying visit code related to the submitted FQHC payment code **is not** present on any other service line for the same day on the same encounter			

18310 *	CMS implemented new reject edit 18310 for "Required FQHC Revenue Code is Missing" to post for **institutional** encounters, subject to FQHC PPS, that do not contain the appropriate required **medical or mental health visit** revenue code. The edit will post when the following conditions exist: • TOB 77X is present on the encounter • The Statement 'From' date of service **is on or after** October 1, 2014 • The billing provider's PPS effective date **is equal to or greater than** October 1, 2014 • The Statement 'From' date **is on or after** the billing provider's PPS effective date And • A FQHC payment HCPCS code (G0466, G0467, or G0468) is present without the appropriate required **medical visit** revenue code (0519 or 052X) Or • A FQHC payment HCPCS code (G0469 or G0470) is present without the appropriate required **mental health visit** revenue code (0519 or 0900) Note: For a FQHC medical visit, revenue code 0519 or 052X is required for the FQHC payment code (G0466, G0467 or G0468). For a FQHC mental health visit, revenue code 0519 or 0900 is required for the FQHC payment code (G0469 or G0470). The EDPS shall post error code "18310" along with error description "Required FQHC Revenue Code is Missing" on an institutional encounter service line containing a FQHC payment HCPCS code (G0466, G0467, G0468, G0469 or G0470) when the following conditions exist:	09/04/2015	INST	R

	• TOB 77X is present on the encounter • The Statement 'From' date of service **is on or after** October 1, 2014 • The billing provider's PPS effective date **is equal to or greater than** October 1, 2014 • The Statement 'From' date **is on or after** the billing provider's PPS effective date And • A FQHC payment HCPCS code (**G0466, G0467, or G0468**) is present without the appropriate required **medical visit** revenue code (**0519 or 052X**) Note: For a FQHC medical visit, revenue code 0519 or 052X is required for the FQHC payment code (G0466, G0467 or G0468). For a FQHC mental health visit, revenue code 0519 or 0900 is required for the FQHC payment code (G0469 or G0470).			

18315 *	CMS implemented new reject edit 18315 for "Item/Service Not Covered Under FQHC" to post for **institutional** encounters, subject to FQHC PPS, that contains an item or service not covered under the FQHC PPS. The edit will post when the following conditions exist: • TOB 77X is present on the encounter • The Statement 'From' date of service **is on or after** October 1, 2014 • The billing provider's PPS effective date **is equal to or greater than** October 1, 2014 • The Statement 'From' date is **on or after** the billing provider's PPS effective date And • An item or service not covered under the FQHC PPS is present on any other service line on the same encounter Note: DME (revenue code 029X), Lab (revenue code 030X-031X, excluding 36415), Ambulance (revenue code 054X), Hospital-Based Care (99217-99239, 99281-99292, 99460-99480), and Group services (97804, G0271) and non-Face-to-Face services (99441-99444) are examples on non-covered services under FQHC PPS. The EDPS shall post error code "18315" along with error description "Item/Service Not Covered Under FQHC" on an institutional encounter service line that contains an item or service not covered under the FQHC PPS when the following conditions exist: • TOB 77X is present on the encounter • The Statement 'From' date of service **is on or after** October 1, 2014 • The billing provider's PPS effective date **is equal to or greater than** October 1, 2014	09/04/2015	INST	R

	• The Statement 'From' date is **on or after** the billing provider's PPS effective date And • An item or service not covered under the FQHC PPS is present on any other service line on the same encounter Note: DME (revenue code 029X), Lab (revenue code 030X-031X, excluding 36415), Ambulance (revenue code 054X), Hospital-Based Care (99217-99239, 99281-99292, 99460-99480), and Group services (97804, G0271) and non-Face-to-Face services (99441-99444) are examples on non-covered services under FQHC PPS.			
18730	CMS changed the edit disposition for existing INST error code 18730 from "reject" to "informational." In addition, the error description will be modified to read "**Invalid Modifier – Various Conditions**".	07/08/2016	INST	I
22340	CMS is posting error code 22340 when an ESRD diagnosis code is not submitted on an ESRD encounter (TOB 72X). CMS will validate the following ICD-9 and ICD-10 diagnosis codes, based on the encounter date of service. • ICD-9 Diagnosis Codes = 585.1= 585.1, 585.2, 585.3, 585.4, 585.5, 585.6, or 585.9 • ICD-10 Diagnosis Codes = N18.1= N18.1, N18.2, N18.3, N18.4, N18.5, N18.6, or N18.9	09/04/2015	INST	R
22355	CMS is posting error code **22355** along with error description "**Inpatient Service Line Error**" to the Institutional inpatient encounter (TOB 11X, 18X, 21X, and 41X) header when a submitted encounter contains a reject error on any service line. Anytime a reject error is posted because of an error on an inpatient encounter service line, edit 22355 will post on the header as necessary to reject the encounter. The whole encounter is rejected if any line on the encounter is rejected for any reason.	02/12/2016	INST (Inpatient)	R
22220	Edit posts when Admission date submitted on the encounter is not within the provider effective and termination dates.	02/12/2016	INST	R

	• Error descriptor changed to: "Admit/Provider Effective Date Conflict" • Applies to TOB 11X, 18X, 21X, 28X, 41X, 51X • Bypassed for LTCH Provider (XX2000-XX2299) when the XOVER field on the provider files is equal to the XX0001-XX0999 Note: The Provider Medicare Enrollment effective and termination dates used in this edit is from the PECOS Inpatient Provider Record.			
98325	EDPS bypasses posting error code **98325** along with error description "Service Line(s) Duplicated" for **professional** encounters based on certain modifiers as well as bypass edit on ASC encounters due to the submission of bilateral surgical services. <u>Modifier Specific Bypass Logic:</u> EDPS bypasses posting the reject error code "98325 – Service Lines(s) Duplicated" on the Professional service line containing modifiers 59, 76, 77 or 91. <u>ASC Specific Bypass Logic:</u> EDPS bypasses posting the reject error code "98325 – Service Line(s) Duplicated" on the Professional ASC encounter service line when the following conditions exist: • The billing provider's NPI submitted on the current encounter corresponds to the provider specialty '49' in the PECOS table in the EODS • The place of service (POS) '24' is present on the current encounter • The procedure code submitted on the current encounter service line is present in the ASC Fee Schedule in the EODS • The procedure code on the current encounter corresponds to a Multiple Procedure Discount Indicator '1' in the ASC Fee Schedule.	02/12/2016	INST (Outpatient) PRF	R

	EDPS bypasses posting error code 98325 along with error description "Service Line(s) Duplicated" for **institutional outpatient** encounters based on certain modifiers as well as bypass edit on ASC encounters due to the submission of bilateral surgical services. <u>Modifier Specific Bypass Logic:</u> EDPS bypasses posting the reject error code "98325 – Service Lines(s) Duplicated" on the Institutional Outpatient service line containing modifiers 59, 62, 66, 76, 77 or 91. <u>ASC Specific Bypass Logic:</u> EDPS bypasses posting the reject error code "98325 – Service Line(s) Duplicated" on the ASC encounter service line when the following conditions exist: • Type of bill (TOB) 83X is present on the current encounter • The procedure code submitted on the current encounter service line is present in the ASC Fee Schedule in the EODS • The procedure code on the current encounter corresponds to a Multiple Procedure Discount Indicator '1' in the ASC Fee Schedule.			
<u>98300 *</u>	CMS implemented new reject edit 98300 for "Exact Inpatient Duplicate Encounter" to post for <u>institutional **inpatient**</u> encounters at the header level. MAOs must submit adjustment or void encounters when altering Inpatient encounters.	09/04/2015	INST (Inpatient)	R

	The EDPS will reject TOBs 11X, 18X, 21X, or 41X that contain duplicate header level (Loop 2300) data elements for HICN, DOS, TOB, and Billing Provider NPI of an accepted encounter in the EODS.			

- Indicates that these error codes were included in the Risk Adjustment for EDS & RAPS Bulletin, September 2015 available at www.csscoperations.com

NOTES:

(1) In CMS' Encounter Data Companion Guide, the Payer Claim Control Number, identified when REF01='F8' in loop 2300, is defined as the ICN of an original claim, which can be either an encounter data record (EDR) or chart review record, populated only when submitting a void, replacement, or linked chart review EDR. When the Payer Claim Control number is populated on an EDR or chart review record, CMS systems attempt to match the Payer Claim Control Number to the ICN of an existing encounter or chart review EDR. If the Payer Claim Control Number is populated when the record has a claim frequency of '1,' CMS systems cannot determine the submitter's purpose for the record. Similarly, when an unlinked chart review record is submitted to delete diagnosis codes, CMS cannot determine which EDR contains the diagnosis to be deleted.

CMS is implementing edits 00800 and 00805 at this time in order to ensure the Payer Claim Control Number is used in accordance with the definition in the Encounter Data Companion Guide and to ensure submitted data is aligned with the capabilities of CMS systems. Records rejected due to edits 00800 and 00805 will be reflected in the MAO-002 report, which will provide submitters with the information required to correct and resubmit records.