September 28, 2016

Dear Provider,

In response to HEDIS and federal government reporting requirements, in 2017 Moda Health is expanding the scope of two major diagnosis code requirements for Medicare Advantage and Medicaid claims to also include Commercial claims. Effective for dates of service **January 1, 2017 and following**, all Commercial claims submitted with one or more incomplete diagnosis codes or using inappropriate diagnosis codes in the primary diagnosis position will be denied.

Incomplete Diagnosis Codes

Diagnosis codes must be complete, valid, and include all required digits and characters. These requirements apply to all diagnosis codes billed in any position, on all claims, and is applicable in all settings from all provider types.

If a claim is billed with one or more incomplete diagnosis codes, the claim will deny with explanation code 85M (One or more diagnosis codes on this claim requires more digits to be complete. Please resubmit the claim with a more specific diagnosis.) Invalid and incomplete diagnosis codes denials apply to all claims (all providers and all settings).

ICD-10-CM diagnosis codes are composed of codes with 3, 4, 5, 6, or 7 characters. Codes with three characters are included in ICD-10-CM as the heading of a category of codes that may be further subdivided by the use of fourth and/or fifth characters and/or sixth characters which provide greater detail. A three-character code is to be used only if it is not further subdivided. A code is invalid if it has not been coded to the full number of characters required for that code, including the 7th character, if applicable.

For example, C81 (Hodgkin's Lymphoma) by itself is not a valid diagnosis code because valid codes within category C81 contain five characters. An appropriate Hodgkin's Lymphoma diagnosis code would be C81.00 or C81.03.

Inappropriate Diagnosis Codes in the Primary Diagnosis Position

There are certain diagnosis codes that are not eligible to be reported in the principle diagnosis field. Coding rules require that manifestation diagnosis codes, external causes of morbidity/injury codes, and certain other diagnosis codes with specific sequencing instructions must always be reported as secondary to another diagnosis code.

CMS also identifies a list of specific diagnosis codes which are unacceptable as a principle diagnosis on facility claims. This CMS list will also be applied to Commercial claims for 2017

dates of service. Inpatient facility claims billed with an invalid primary diagnosis code for the setting will deny with explanation code 992 (Primary diagnosis is invalid for this setting. Please resubmit with valid primary diagnosis).

Oregon DMAP also identifies an additional list of diagnosis codes which are unacceptable as primary/principle diagnosis code; this DMAP-specific list will not be applied to Commercial claims.

Two Reimbursement Policies have been written to cover these requirements: To view Moda Health's Diagnosis Code Requirement reimbursement policies **RPM053** and **RPM054**, please visit www.modahealth.com/medical/policies_reimburse.shtml.

Questions?
We're here to help! Please call our Customer Service team toll-free at 877-605-3229 or email us at medical@modahealth.com.

Sincerely,

Moda Medical Provider Relations