Moda Health Reimbursement Policy Overview

Last Updated: 3/12/2025   **Last Reviewed: 3/12/2025**   **Originally Effective: 7/6/2011**

Last update includes payment policy changes, subject to 28 TAC §3.3703(a)(20)(D)?   No

If yes, Texas Last Update Effective Date: n/a   **Policy #: RPM001**

Scope

Companies: Moda Partners, Inc. and its subsidiaries & affiliates (All)   **Provider Contract Status:** Any

Claim Forms: CMS1500 & CMS1450 (paper and electronic versions)   **Claim Dates:** All

Reimbursement Guidelines

A. Important Statement

The purpose of the Reimbursement Policies gathered in this policy manual is to document our payment guidelines for those services covered by a member's medical benefit plan. Healthcare providers (facilities, physicians and other professionals) are expected to exercise independent medical judgment in providing care to members. Our Reimbursement Policies are not intended to impact care decisions or medical practice.

You are responsible for submission of accurate claims using valid codes from HIPAA-approved code sets and for accurately, completely, and legibly documenting the services performed. Billed codes shall be fully supported in the medical record and/or office notes. Claims are to be coded appropriately according to industry standard coding guidelines (including but not limited to UB Editor, AMA, CPT, CPT Assistant, HCPCS, DRG guidelines, CMS' National Correct Coding Initiative (CCI) Policy Manual, CCI table edits and other CMS guidelines).

Benefit determinations will be based on the member's medical benefit plan. Should there be any conflicts between our Reimbursement Policies and the member's medical benefit plan, the member's medical benefit plan will prevail. Fee determinations will be based on the applicable provider fee schedule, whether out of network or from a participating provider's agreement, and our Reimbursement Policy.

Policies may not be implemented identically on every claim due to variations in routing requirements, dates of processing, or other constraints; we strive to minimize these variations.

The most current version of our reimbursement policies can be found on our provider website. If you are using a printed or saved electronic version of this policy, please verify the information by going to https://www.modahealth.com/medical/policies_reimburse.shtml.

B. General Information

This Reimbursement Policy Manual is a collection of policies documenting Moda Health payment guidelines for medical claims from providers. Nationally published clinical coding guidelines are applied to coding edits and claims processing. Some policies address specific issues, and others cover more general principles of Reimbursement Policy.

This Reimbursement Policy Manual applies to Moda Partners, Inc., its subsidiaries and affiliates, including but not limited to Moda Health Plan, Inc., Moda Assurance Company, Eastern Oregon Coordinated Care Organization (EOCCO), OHSU Health IDS and Summit Health Plan, and also to third parties that contract with us to administer our policies. Throughout our policies, these companies will collectively be referred to as "Moda Health," "we," or "our." This Reimbursement Policy Manual DOES NOT APPLY TO ANY OTHER CARRIER OR COMPANY.

C. Use

1. Our reimbursement policies are used to provide guidelines for consistent and predictable payment of claims, and to provide facilities, physicians, and other healthcare providers with clear information on our reimbursement policies.

2. If appropriate coding/billing guidelines or current reimbursement policies are not followed, we may:
   a. Reject or deny the claim.
   b. Recover and/or recoup claim payment.

3. The most current version of this manual (all policies) is posted on our website; please select "I am a Provider." Copies of the relevant reimbursement policy may be enclosed with provider correspondence or faxed to billing offices in response to inquiries on covered topics.

4. If you are using a printed or saved electronic version of one of our policies, please verify the most current information by going to: https://www.modahealth.com/medical/policies_reimburse.shtml .

D. Conflicts with Other Documents

1. Our Reimbursement Policies and the applicable provider fee schedule, whether out of network or from a participating provider's agreement, set fee allowances and reimbursement policy for those services that are determined to be covered under the member's medical benefit plan.

2. The member's medical benefit plan determines what is and is not covered, and what the benefit level is for covered services. These documents generally have a different function and purpose than our Reimbursement Policy Manual. Should there be any conflicts between our Reimbursement Policies and the member's medical benefit plan, the member's medical benefit plan will prevail.

3. Our Healthcare Services sets clinical policy and criteria for determining what services are considered medically necessary, investigational, and cosmetic under the member's plan.
   a. Policy decisions on these topics are documented in Moda Health Medical Criteria. These documents also have a different function and purpose than our Reimbursement Policy Manual.
   b. Our clinical edits for investigational and cosmetic procedures are customized based on notifications received from Healthcare Services regarding these determinations.

4. These policies may be modified or superseded by state, federal, and/or CMS mandates or regulations.

E. Scope

Unless otherwise specified within a specific policy, our Reimbursement Policies apply to all lines of business. Our Reimbursement Policies apply to both participating and non-participating providers.

F. Reimbursement Policy

Our Reimbursement Policies shall be interpreted by Moda Health and may be modified at the sole discretion of Moda Health.

1. Code Sets
   We accept the following HIPAA (Health Insurance Portability and Accountability Act) compliant code sets for claims and claims processing:
   a. CPT (Current Procedural Terminology) codes, HCPCS Level I, published by the American Medical Association.
   b. HCPCS (Healthcare Common Procedure Coding System) Level II codes, published by CMS (Centers for Medicare and Medicaid Services).
   > **Note:** We do not accept any state-specific Medicaid procedure codes from states other than Oregon (e.g., California Medicaid, Texas Medicaid, etcetera). These procedure codes are only to be used on claims for Medicaid beneficiaries in those states.

c. ICD-10-CM diagnosis codes, published by the United States government and the World Health Organization (WHO).

d. ICD-10-PCS procedure codes (for UB-04 claims), published by the United States government and the World Health Organization (WHO).

e. Revenue Codes (for UB-04 claims), published by the National Uniform Billing Committee (NUBC).

f. Place of Service (POS) codes, published by the Centers for Medicare & Medicaid Services (CMS).

Note:

POS code 27 (*Outreach Site/Street*) is effective for dates of service October 1, 2023 and following.

- Consistent with Medicare:
    - At initial release of POS 27, CMS indicated it would not be accepted by Medicare, and we followed that for our Medicare Advantage plans.[7, 8]
    - Then with CMS Transmittal 12411 dated December 14, 2023, CMS announced POS 27 would be accepted for all Medicare claims retroactive to date of service October 1, 2023.[9, 10] Our system has been updated to implement this.
- POS 27 is accepted on Commercial and Medicaid claims.

2. Sources for Policy Development

The following nationally recognized sources are consulted in the development of our reimbursement policies.

- The Centers for Medicare & Medicaid Services (CMS) National Correct Coding Initiative (CCI) Policy Manual and Associated Policies
- Centers for Medicare and Medicaid Services (CMS) written policy
- CMS National Physician Fee Schedule Relative Value File
- CMS fee schedules (including payment and bundling indicators) for the various provider and facility types
- CMS Ambulatory Surgical Center (ASC) group categories
- CMS Diagnosis Related Groups (DRG)
- CMS Federal Register
- CMS Resource Based Relative Value Units and recommendations
- Medicare Hospital Desk Reference
- Noridian Medicare Jurisdiction F, Parts A & B; Noridian Medicare Jurisdiction D, DME; Novitas Solutions, Inc., Medicare Jurisdiction H, Parts A & B; CGS Administrators, LLC (CGS), Jurisdiction C, DME; other Medicare local carriers as appropriate.
- The American Medical Association (AMA) CPT (Current Procedural Terminology) manual
- The AMA CPT Assistant newsletter articles
- Healthcare Common Procedural Coding System (HCPCS) Level II Manual, including code definitions and associated text
- International Classification of Diseases, Clinical Modification (ICD-10-CM) official guidelines for coding and reporting
- AHA Coding Clinic
- Uniform Hospital Discharge Data Set (UHDDS)
- Uniform Billing Editor
- Other general coding and claim payment references

Specialty Society positions *may* be considered in the development of Moda Health Reimbursement Policy.

In rare cases discrepancies exist between guidelines on a specific topic from two or more sources listed above. In these situations, Moda Health has sole discretion to determine which guideline to use in the development of our Reimbursement Policy.

3. Coding Software and Clinical Edits
    Our Reimbursement Policy includes our coding software guidelines and clinical edits. See "Clinical Editing," policy # RPM002.[A] Not every situation or edit can be specifically covered in the Reimbursement Policy Manual.

4. Carrier-specific Edits, Policies, & Guidelines
    We recognize that there is no one-size-fits-all-carriers for clinical edits or reimbursement policy; each carrier has some carrier-specific policies and edits. We recommend that providers familiarize themselves with the location of our Reimbursement Policies and make note of our carrier-specific edits as they encounter them, as well as for each health plan with which they do business and make best efforts to incorporate these into their regular workflow.

    The American Medical Association's published guidelines address carrier-specific edits, policies, and reimbursement guidelines from commercial carriers and third-party payors:

    > "Since each third-party payor may establish reporting guidelines that vary from coding guidelines, a clear understanding of CPT coding guidelines, as well as third-party payor reporting guidelines is essential." [3]

    > "CPT coding guidelines may differ from third-party payer guidelines. Eligibility for payment, as well as coverage policy, is determined by each individual insurer or third-party payer. For reimbursement or third-party payer policy issues, please contact your local third-party payer." [4]

    The Medicare National Correct Coding Initiative Policy Manual specifically states:

    > "The National Correct Coding Initiative Policy Manual for Medicare Services and the edits were developed for the purpose of encouraging consistent and correct coding and reducing inappropriate payment. The edits and policies do not include all possible combinations of correct coding edits or types of unbundling that exist. Providers are obligated to code correctly even if edits do not exist to prevent use of an inappropriate code combination." [1]

    > "NCCI does not contain edits based on this rule because Medicare Carriers (A/B MACs processing practitioner service claims) have separate edits." [2]

    > "NCCI contains many, but not all, possible edits based on these principles." [2]

    > "The NCCI contains many, but not all, edits bundling laparoscopic procedures into open procedures. Since the number of possible code combinations bundling a laparoscopic procedure into an open procedure is much greater than the number of such edits in NCCI, the principle stated in this paragraph is applicable regardless of whether the selected code pair combination is included in the NCCI tables. A provider should not select laparoscopic and open HCPCS/CPT codes to report because the combination is not included in the NCCI tables." [5]

    > "The NCCI does not address issues related to HCPCS/CPT codes describing services that are excluded from Medicare coverage or are not otherwise recognized for payment under the Medicare program." [6]

    Our clinical editing system contains some edits which are not found on the NCCI edit tables, in the same manner as mentioned above regarding regional Medicare Carriers (A/B MACs) having separate edits.

These edits are based upon correct coding guidelines and principles and have the same general purpose as the NCCI edits, to prevent inappropriate payment.

5. <u>When No Published Policy Exists</u>
Claims are to be coded appropriately according to industry standard coding guidelines (including but not limited to UB Editor, AMA, CPT, CPT Assistant, HCPCS, DRG guidelines, CMS' National Correct Coding Initiative (CCI) Policy Manual, CCI table edits and other CMS guidelines). Information documented in these standard coding guideline sources will generally not be duplicated in a separate reimbursement policy.

For those situations outside of clinical editing software which are not specifically addressed in our Reimbursement Policy Manual, we follow CMS policy and the other industry standard coding guideline sources indicated in the previous paragraph.

G. Restrictions and Limitations

1. Reimbursement Policy does not determine which services are covered under the member's medical benefit plan. Rather, Reimbursement Policy supports the schedule of benefits in the member's medical benefit plan by establishing payment rules, coding hierarchy and related processing systems' edits.

   The determination that a service, procedure, item, etc. is covered under a member's medical benefit plan is not a determination that you will be reimbursed. Some services are covered but are not eligible for separate reimbursement.

2. Reimbursement policy is not intended to dictate medical practice and does not constitute medical advice. Health care facilities, physicians and other health care providers are expected to exercise independent medical judgment in providing care to members. Our Reimbursement Policies are not intended to impact care decisions or medical practice.

3. Our Reimbursement Policies are the property of Moda Health, and you are strictly prohibited from using it for any commercial use whatsoever. Commercial use does not include use of the Reimbursement Policy related to benefit payment for health care services received by a Moda Health member.

4. Our Reimbursement Policy Manual is not intended to address every aspect of a reimbursement situation. Accordingly, we may use reasonable discretion in interpreting and applying policies to services provided on a case-by-case basis.

5. Policies may not be implemented identically on every claim due to variations in routing requirements, dates of processing, or other constraints; we strive to minimize these variations.

6. Current Procedural Terminology CPT™ codes and descriptions are the property of the American Medical Association with all rights reserved. You are strictly prohibited from using CPT™ codes for any unauthorized use whatsoever.

H. Policy Maintenance and Updates

1. Policies in our Reimbursement Policy Manual will be reviewed annually and may be updated more frequently on an as-needed basis.

2. Additional topics will be addressed based on business need and as time allows.

I. Policy-related Appeals

If you disagree with a specific Reimbursement Policy as it has been applied to a specific claim, please follow the written Provider Appeal process outlined in our Participating Provider Administrative Manual.

Definitions

Acronyms/Abbreviations

Acronym	Definition
AHA	American Hospital Association
AMA	American Medical Association
ASC	Ambulatory Surgical Center
CCI	Correct Coding Initiative (see "NCCI")
CGS	CGS Administrators, LLC
CMS	Centers for Medicare and Medicaid Services
CPT	Current Procedural Terminology
DME	Durable Medical Equipment
DRG	Diagnosis Related Group (also known as/see also MS DRG)
HCPCS	Healthcare Common Procedure Coding System (acronym often pronounced as "hick picks")
HIPAA	Health Insurance Portability and Accountability Act
ICD	International Classification of Diseases
ICD-10	International Classification of Diseases, Tenth Edition
ICD-10-CM	International Classification of Diseases, Tenth Edition, Clinical Modification
ICD-10-PCS	International Classification of Diseases, Tenth Edition, Procedure Coding System
MAC	Medicare Administrative Contractor
MSDRG	Medicare Severity Diagnosis Related Group (also known as/see also DRG)
MUE	Medically Unlikely Edits
NCCI	National Correct Coding Initiative (aka "CCI")
NUBC	National Uniform Billing Committee
POS	Place of Service
PTP	Procedure-To-Procedure (a type of CCI edit)
RPM	Reimbursement Policy Manual (e.g., in context of "RPM052" policy number, etc.)
UHDDS	Uniform Hospital Discharge Data Set
UB	Uniform Bill
WHO	World Health Organization

Related Policies

A. "Clinical Editing," Moda Health Reimbursement Policy Manual, RPM002.

Resources

1. CMS. *National Correct Coding Initiative Policy Manual*. Introduction, page 7.
2. CMS. *National Correct Coding Initiative Policy Manual*. Chapter 1 General Correct Coding Policies, § D.
3. American Medical Association. "A Closer Look at the Use of Surgical Modifiers." *CPT Assistant.* Chicago: AMA Press, March 1996, p. 8.
4. American Medical Association. "Evaluation and Management: Prolonged Services." *CPT Assistant.* Chicago: AMA Press, March 1996, p. 3.
5. CMS. *National Correct Coding Initiative Policy Manual*. Chapter 1 General Correct Coding Policies, § E.
6. CMS. *National Correct Coding Initiative Policy Manual*. Chapter 1 General Correct Coding Policies, § S.
7. CMS. "New Place of Service (POS) Code 27 – 'Outreach Site/Street.'" CMS Transmittal 12202/CR 13314. August 10, 2023; Last accessed September 1, 2023.

8. CMS. "New Place of Service (POS) Code 27 – 'Outreach Site/Street.'" 2023-08-24-MLNC. August 24, 2023; last accessed September 5, 2023. https://www.cms.gov/outreach-and-education/outreach/ffsprovpartprog/provider-partnership-email-archive/795634753/2023-08-24-mlnc#_Toc143610553 .

9. CMS. "New Place of Service (POS) Code 27 – 'Outreach Site/Street'." CMS Transmittal 12411/CR 13314. December 14, 2023; Last accessed January 11, 2024.

10. NAHRI. "CMS revises instructions for new POS code 27." National Association of Healthcare Revenue Integrity (NAHRI), Last Updated: December 14, 2023; Last accessed February 14, 2024. https://nahri.org/articles/cms-revises-instructions-new-pos-code-27 .

Policy History

Reminder: The most current version of our reimbursement policies can be found on our provider website. If you are using a printed or saved electronic version of this policy, please verify the current information by going to: https://www.modahealth.com/medical/policies_reimburse.shtml

Date	Summary of Update
3/12/2025	Acronyms updated. Formatting updates. No policy changes.
2/14/2024	Clarified when state-specific Medicaid & national Medicaid HCPCS codes are and are not accepted on claims. Updated POS 27 policy for CMS & Medicare Advantage . Updated Resources.
9/20/2023	Added new POS 27 information. Resources updated.
12/14/2022	Idaho added to Scope.
6/8/2022	Clarified list of Moda Health company names. Updated sources of Policy Development. Formatting updates. Policy History entries prior to 2022 omitted (in archive storage). Minor rewording. No policy changes.
7/6/2011	Policy document initially approved by the Reimbursement Administrative Policy Review Committee & initial publication.
7/6/2011	Original Effective Date (with or without formal documentation). Policy based on leadership approval of additional written policies to add to Clinical Editing Policy (RPM002) to document various topics of reimbursement policy. The collection of current & future policies will collectively be called the Reimbursement Policy Manual.