

Managed Care Operations Memorandum

General Operations

MCOPS Memo #03/2024-003

Date: March 19, 2024

Subject: National Correct Coding Initiative (NCCI) Edits

To: All Physical Health (PH) HealthChoices Managed Care Organizations (MCOs) – Statewide

From: Gwendolyn Zander, Director, Bureau of Managed Care Operations

A. Purpose

The purpose of this memorandum is to provide guidance regarding the responsibilities of PH MCOs regarding payment for professional and outpatient claims for supplies listed in [Provider Quick Tip #269](#) that are not subject to NCCI editing by the Medical Assistance (MA) Program in Pennsylvania.

B. Background

On November 10, 2011, DHS issued [Medical Assistance Bulletin \(MAB\) #99-11-10](#), effective date December 1, 2011, announcing the federally mandated implementation of the NCCI in Pennsylvania's Medical Assistance Program. This MA Bulletin stated under the paragraph entitled "Scope" that it did not apply to providers who render services to MA recipients in either the HealthChoices or voluntary managed care delivery system. [MAB #99-11-10](#) also included an [Attachment A](#), which stated that Managed Care and Federally Qualified Health Center/Rural Health Center Encounters were claim types excluded from NCCI editing.

After the issuance of [MAB #99-11-10](#), however, DHS determined that it would deactivate or not implement certain NCCI edits in the Medical Assistance Program for fee-for-service (FFS) claims for certain procedure codes. As clarified in State Medicaid Director Letters [#10-017](#) and [#11-003](#), "...States may deactivate some or all NCCI edits due to a conflict with State laws, regulations, administrative rules, payment policies, and/or the State's level of operational readiness." Among the edits DHS chose to deactivate were Medically Unlikely Edits (MUEs) for simultaneous ordering of certain combinations and quantities of seventeen procedure codes for pediatric, youth, and adult sized disposable incontinence products. Also, DHS did not deny FFS claims for these codes during the period in which DHS was seeking CMS approval to deactivate the selected NCCI edits. These seventeen codes were also addressed in [Provider Quick Tip #269](#), to remind providers that they may bill for, and prescribers may order, certain incontinence products using any combination of the procedure codes listed

below totaling a maximum of 300 per month, and that there had been no changes to the limits of these codes.

C. Discussion

DHS was notified in October 2023 that some HealthChoices Physical Health Managed Care Organizations (PH-MCOs) were applying NCCI edits for procedure codes listed in [Provider Quick Tip #269](#), and were denying claims for certain combinations of these codes, based on NCCI edits related to pairs of Durable Medical Equipment Prosthetics, Orthotics & Supplies (DMEPOS) codes that cannot be reported together because they are considered mutually exclusive of each other, and that cannot be billed at the same patient encounter. For example, DMEPOS code T4534 was denied as being mutually exclusive of DMEPOS code T4522 based on the CCI policy 'Mutually exclusive procedures'.

The Pennsylvania MA FFS Program did not implement or enforce NCCI edits or deny claims for the supplies and procedure codes listed in [Provider Quick Tip #269](#). Under the terms of the HealthChoices Physical Health Agreement, Section V.A.1, at a minimum, HealthChoices PH-MCOs must provide In-Plan Services in the amount, duration and scope set forth in the MA FFS Program based on the Recipient's benefit package, unless otherwise specified by the Department. This includes quantitative and non-quantitative treatment limits as indicated in state statutes and regulations, the Medicaid state plan and other state policies and procedures. Therefore, since the MA FFS Program did not implement or enforce NCCI MUE edits for the procedure codes listed in [Provider Quick Tip #269](#), and does not deny claims for these codes based on those edits, PH-MCOs may not do so.

After discussion with the PH-MCOs involved, it became apparent that [MAB #99-11-10](#), its [Attachment A](#), and [Provider Quick Tip #269](#), collectively, did not provide sufficient and clear notification and guidance for HealthChoices PH-MCOs regarding payment for professional and outpatient claims for these procedures and supplies not subject to NCCI editing by the MA Program in Pennsylvania.

Accordingly, this Operations Memorandum serves as notification to all HealthChoices PH-MCOs that, under the terms of HealthChoices Agreement Section V.A.1, they are not permitted to deny payment for claims based on NCCI edits not implemented or enforced by the MA FFS Program that apply to combinations and quantities of the following procedure codes listed in [Provider Quick Tip #269](#)

Codes	Description
T4521	Adult sized disposable incontinence product, brief/diaper, small, each
T4522	Adult sized disposable incontinence product, brief/diaper, medium, each
T4523	Adult sized disposable incontinence product, brief/diaper, large, each
T4524	Adult sized disposable incontinence product, brief/diaper, extra-large, each
T4525	Adult sized disposable incontinence product, protective underwear/pull-on, small size, each

T4526	Adult sized disposable incontinence product, protective underwear/pull-on, medium size, each
T4527	Adult sized disposable incontinence product, protective underwear/pull-on, large size, each
T4528	Adult sized disposable incontinence product, protective underwear/pull-on, extra-large size, each
T4529	Pediatric sized disposable incontinence product, brief/diaper, small/medium size, each
T4530	Pediatric sized disposable incontinence product, brief/diaper, large size, each
T4531	Pediatric sized disposable incontinence product, protective underwear/pull-on, small/medium size, each
T4532	Pediatric sized disposable incontinence product, protective underwear/pull-on, large size, each
T4533	Youth sized disposable incontinence product, brief/diaper, each
T4534	Youth sized disposable incontinence product, protective underwear/pull-on, each
T4535	Disposable liner/shield/guard/pad/undergarment, for incontinence, each
T4543	Adult sized disposable incontinence product, protective brief/diaper, above extra-large, each
T4544	Adult sized disposable incontinence product, protective underwear/pull-on, above extra-large, each

D. Next Steps

PH-MCOs must make any procedural, operational, and systems changes required to discontinue applying NCCI edits to the procedure codes listed above. BMCO staff will work closely with PH-MCOs to identify MA Bulletins whose scope does not include managed care that may nonetheless have an effect on PH-MCOs and their members under HC Agreement V.A.1 Amount, Duration and Scope requirements, and provide appropriate guidance as needed.