

**Bulletin Number:** MSA 11-06

**Distribution:** All Providers

**Issued:** March 1, 2011

**Subject:** Medicaid National Correct Coding Initiative (NCCI)

**Effective:** April 1, 2011

**Programs Affected:** Medicaid, Children's Special Health Care Services (CSHCS), Adult Benefits Waiver (ABW), Maternity Outpatient Medical Services (MOMS) and Plan First!

The Affordable Care Act of 2010 requires State Medicaid programs to use Medicaid National Correct Coding Initiative (NCCI) policies and edits to process claims. The purpose of the Medicaid NCCI is to prevent improper payments when incorrect code combinations or units are reported.

The Centers for Medicare and Medicaid Services (CMS) describes NCCI edits as edits applied to services performed by the same provider for the same beneficiary on the same date of service. There are two types of edits:

- NCCI edits, or procedure-to-procedure edits that define pairs of Healthcare Common Procedure Coding System (HCPCS)/Current Procedural Terminology (CPT) codes that should not be reported together for a variety of reasons; and
- Medically Unlikely Edits (MUE), or units-of-service edits that define for each HCPCS/CPT code the number of units of service beyond which the reported number of units of service is unlikely to be correct (e.g., claims for excision of more than one gallbladder or more than one pancreas).

The Michigan Department of Community Health (MDCH) previously incorporated Medicare NCCI edits into the Community Health Automated Medicaid Processing System (CHAMPS). The CMS mandate requires use of a new Medicaid NCCI file designed to address Medicaid business. CMS will provide quarterly updates to the file. As directed by CMS, MDCH will implement the Medicaid NCCI edits for claims received on or after April 1, 2011, with dates of service on or after October 1, 2010. The edits will be applied to all claims with HCPCS/CPT codes that are impacted by NCCI edits. Managed Care Organizations are exempt from this mandate per CMS.

Providers are encouraged to access the CMS Medicaid NCCI Coding website at [www.cms.gov/MedicaidNCCICoding](http://www.cms.gov/MedicaidNCCICoding) for information, which includes procedure-to-procedure edits, MUE allowable units, frequently asked questions (FAQ), and the Medicaid NCCI Coding Policy Manual.

Questions regarding NCCI coding policies and edits may be directed to the CMS NCCI contractor at:

Medicaid National Correct Coding Initiative  
Correct Coding Solutions, LLC  
P.O. Box 907  
Carmel, IN 46082-0907  
Facsimile: 317-571-1745

### **Manual Maintenance**

Retain this bulletin until applicable information has been incorporated into the Michigan Medicaid Provider Manual.

### **Questions**

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at [ProviderSupport@michigan.gov](mailto:ProviderSupport@michigan.gov). When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

### **Approved**

A handwritten signature in black ink that reads "Stephen Fitton". The signature is written in a cursive, flowing style.

Stephen Fitton, Director  
Medical Services Administration