



State of New Jersey  
Department of Human Services  
Division of Medical Assistance & Health Services

# NEWSLETTER

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**TO:** All Providers – **For Action**  
Health Maintenance Organizations – **For Information Only**

**SUBJECT:** **National Correct Coding Initiative (NCCI) Edits**

**EFFECTIVE:** Immediately

**PURPOSE:** To notify Medicaid/NJ FamilyCare Fee-For-Service (FFS) providers of a policy change by the Division of Medical Assistance and Health Services which requires that NCCI edits be applied in the adjudication of certain healthcare claims.

**BACKGROUND:** The Center for Medicare & Medicaid Services (CMS) National Correct Coding Initiative (NCCI) promotes national correct coding methodologies for reducing improper coding of healthcare claims which may result in the inappropriate payment of Medicare Part B and Medicaid claims. The Affordable Care Act of 2010 required state Medicaid programs to incorporate NCCI methodologies when adjudicating healthcare claims. Only NCCI methodologies compatible with Medicaid were required and they include:

1. NCCI procedure-to-procedure (PTP) 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. The purpose of the PTP edits is to prevent improper payments when incorrect code combinations are reported.
2. Medically Unlikely Edits (MUEs) define for each HCPCS/CPT code the maximum units of service (UOS) that a provider would report under most circumstances for a single beneficiary on a single date of service.

**ACTION:** Effective immediately, healthcare claims that exceed NCCI methodologies, shall be denied Medicaid/NJ FamilyCare FFS reimbursement. For PTP procedure code conflicts, Error Code 1885 shall deny claim payments. When a MUE is exceeded, Error Code 1878 shall deny claim payments.

Go to <https://www.cms.gov/Medicare/Coding/NationalCorrectCodInitEd/PTP-Coding-Edits> for information regarding applicable PTP and MUE NCCI edits. For additional information regarding the development of NCCI methodologies, please go to the links indicated below.

<https://www.medicaid.gov/medicaid/program-integrity/national-correct-coding-initiative-medicaid/index.html>

<https://www.medicaid.gov/medicaid/program-integrity/downloads/nccimanual2022-chapterone.pdf>

<https://www.medicaid.gov/medicaid/program-integrity/downloads/Medicaid-NCCI-Technical-Guidance-Manual-2021.pdf>

<https://www.medicaid.gov/medicaid/program-integrity/downloads/Correspondence-Language-Manual-For-Medicaid-Services-2021.pdf>

If you have any questions concerning this Newsletter, please contact Gainwell Technologies Provider Services at 1-800-776-6334.

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