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Medicaid Alert

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TO: Nursing and ICF-MR Facilities – **For Action**
Health Maintenance Organizations – **For Information Only**

SUBJECT: **Revised Turnaround Document (TAD) ICD-10 Billing Procedures**

EFFECTIVE: Claims with service dates on or after October 1, 2015

PURPOSE: To notify providers of nursing and ICF-MR facility services regarding the introduction of ICD-10-CM (International Classification of Diseases, 10th Edition, Clinical Modification) diagnosis codes and changes to paper TAD billing procedures.

BACKGROUND: ICD-10-CM is for use in all U.S. health care settings. ICD-10-CM diagnosis coding uses 3 to 7 digits instead of 3 to 5 digits used with ICD-9-CM. The formats for both code sets are similar.

The ICD-10-CM is a comprehensive listing of codes used by medical and health care professionals when recording information in paper or electronic health care records and health care claims to classify diagnoses. The transition to ICD-10 is occurring because ICD-9 produces limited data about patients' medical conditions and hospital inpatient procedures. The ICD version 9 is 30 years old, has outdated terms, and is inconsistent with current medical practice. The ICD version 9 structure also limits the number of new codes that can be created, and many ICD-9 categories are full. For additional information, please see the Medicaid Newsletter Volume 23, No. 10 dated June 2013. Please note that the ICD-10 compliance deadline changed from October 1, 2014 to October 1, 2015.

ICD-10-CM will impact diagnosis codes reported on all Health Insurance Portability and Accountability Act (HIPAA) 837I electronic transactions. The same is true for health care claims submitted to the State's fiscal agent, including the paper TAD (MCNH-117 Revised 10/2015).

Based on the Centers for Medicare and Medicaid Services (CMS) guidelines and a final decision by CMS that postponed the ICD-10 compliance deadline, the NJ FamilyCare Program (NJFC) shall deny all paper TAD claims not reporting the new ICD-10-CM diagnosis codes for service dates on or after October 1, 2015. Please note that October 1, 2015 is the ICD-10 "compliance deadline" for the NJFC Program. All paper TADs with service dates prior to the ICD-10 compliance deadline, October 1, 2015, must continue to report the appropriate ICD-9-CM diagnosis code(s).

Nursing and ICF-MR facilities are required to report in Form Locators 14, 15 and 16 on the paper TAD a resident's ICD-9-CM primary diagnosis indicating why a beneficiary requires nursing or ICF-MR facility care. The primary diagnosis is assigned by the attending physician from the ICD-9-CM code set.

ACTION: Effective for TADs with service dates on or after October 1, 2015, only valid ICD-10-CM diagnosis codes shall be reported as the primary diagnoses on HIPAA 837I electronic transactions and in Form Locators 14, 15 and 16 on paper TADs. Please note that the paper TAD (MCNH-117 Revised 10/2015) has been revised to provide additional space for reporting ICD-10-CM code information.

October TADs are created by Molina Medicaid Solutions based on paid nursing or ICF-MR facility claims for September. The diagnoses reported on October TADs are ICD-9-CM diagnosis codes. Since the October TAD reflects service dates on or after October 1, 2015, the diagnoses must be reported using the ICD-10-CM diagnosis code set. To accommodate the transition from ICD-9-CM to ICD-10-CM, ICD-9-CM diagnosis codes normally reported on the October 2015 TAD shall be reported as 'spaces' requiring nursing and ICF-MR facilities to report **valid** ICD-10-CM diagnosis codes in Field Locators 14, 15, and 16 on the paper TAD when returning their data to Molina Medicaid Solutions.

What is an example of a "valid" ICD-10-CM code?

See the following example:

M87.0 Idiopathic aseptic necrosis of bone
M87.00 Idiopathic aseptic necrosis of unspecified bone
M87.01 Idiopathic aseptic necrosis of shoulder
Idiopathic aseptic necrosis of clavicle and scapula
M87.011 Idiopathic aseptic necrosis of right shoulder
M87.012 Idiopathic aseptic necrosis of left shoulder
M87.019 Idiopathic aseptic necrosis of unspecified shoulder

- ✓ ICD-10 code M87.00 is a **valid** ICD-10 code **because there are no more detailed codes beneath it.**

- ✓ ICD-10 code M87.01 is a subcategory, but an **invalid** ICD-10 code **because there are more detailed codes beneath it**, including M87.011, M87.012 and M87.019, in this example.

If you have any questions concerning this Medicaid Alert, please contact Molina Medicaid Solutions Provider Relations at 1-800-776-6334.

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