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Medicaid Alert

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TO: All Hospitals – For Information Only

SUBJECT: Incorrect Grouper/Mapper, HAC/POA Processing, and Claim 480 Edits

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

PURPOSE: To notify all hospitals of the progress and schedule that the New Jersey Division of Medical Assistance and Health Services (DMAHS) is employing to rectify issues with the 3M ICD10 Mapper process and the 3M Hospital Acquired Condition process (Including POA – Present on Admission processing) currently installed in the NJMMIS.

BACKGROUND: DMAHS currently uses the 3M All Patient Diagnosis Related Grouper (AP-DRG) Version 27 for all Inpatient hospital claims. The 3M Core grouping software relies on General Equivalency Mappings (GEMS or mapping software) to link new diagnosis and procedure codes to the Version 27 DRGs. These updates are released annually by 3M and make it possible to remain on a DRG version for several years without requiring recalibration due to a DRG version update. The GEMS also map submitted ICD-10 codes to corresponding ICD-9 codes for proper claims grouping in accordance with federal mandate. Since the implementation of ICD-10 on October 1, 2015, 3M has made corrections to their mapping software releases, an issue which has required the State to update the 3M software twice since October 1, 2015 to be current through FFY 2016. In addition, internal systemic ICD-10 related issues were discovered with Hospital Acquired Condition (HAC) processing (including POA – Present on Admission indicator acceptance and exempt lists) which have required additional software testing and implementation.

ISSUE: The potential for incorrect inpatient DRG grouping has occurred during the required mapping software updates. Inpatient claims on or after October 1, 2015 may have been assigned an incorrect DRG, reducing or inflating the claim payment. These claims are identified by Error Code 480 which posts when the system's grouper assigns a DRG code were different from the DRG entered on the claim by the provider.

SOLUTION: DMAHS anticipates that the issues will be rectified and the necessary corrections to the system should be completed and operationalized by the end of March 2017. Only after the ICD-10 issues are rectified and the system is made current through FFY 2016 can customary software installations for FFY 2017 then be completed.

Upon completion of the ICD-10 system fixes, all affected inpatient hospital claims with discharge dates on or after October 1, 2015 and prior to October 1, 2016 will be recycled. This recycle will include claims denied for POA edits and should occur by end of May, 2017.

The routine FFY 2017 ICD-10 updates for both the 3M Mapper software (Version 2016-4-1) and the 3M HAC Utility program (Version 4-1-1) are planned to be installed by mid-July 2017. **A subsequent recycle of hospital inpatient claims will then be performed for claims with discharge dates between October 1, 2016 and July 2017. This recycle should occur by the end of August, 2017.**

Upon completion of these recycles, the aforementioned grouping issues should be completely rectified and the affected system components will be current. DMAHS anticipates that many erroneously assigned DRGs from claims submitted during the recycle timeframes will automatically be corrected during reprocessing resulting in removal of the 480 edit. At that time, any provider wishing to appeal the assignment of a DRG may do so using the existing appeal submission process.

DMAHS appreciates the patience of the hospital community during this process of enhancing and updating the 3M Grouping/Mapping/HAC system software within the NJMMIS.

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

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