

March 1, 2011

## Provider Appeals Process for Medicaid NCCI Edits

The federal Patient Protection and Affordable Care Act, signed into law in 2010, mandates that effective for claims filed on or after October 1, 2010, State Medicaid Agencies must incorporate and apply National Correct Coding Initiative (NCCI) editing methodologies. NCCI edits were developed by the Centers for Medicare and Medicaid Services (CMS) to promote appropriate coding methodologies and to control improper coding that could lead to payment errors.

Alaska Medicaid, like all other State Medicaid agencies, will be required to enforce these edits within the claims processing environment.

NCCI Edits consist of two types:

**NCCI 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. These edits will be applied to claims submitted by practitioners, ambulatory surgical centers, and outpatient services. Complete lists and coding guidelines can be found on the CMS website at <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/National-Correct-Coding-Initiative.html>.

**Medically Unlikely Edits (MUE), Units-of-Service (UOS) 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. There are three lists of procedure codes and units that differ by the type of service. One list is for all DME services, one for practitioner and ambulatory surgical centers, and one for outpatient services. Complete lists and coding guidelines can be found on the CMS website at <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/National-Correct-Coding-Initiative.html>.

Each NCCI procedure-to-procedure edit and each MUE units of service edit has a Correspondence Language Example Identification Number (CLEID). This number is used to obtain rationale for these edits and is used when corresponding about the edits. The CLEID identifies information in the Correspondence Language Manual, which can be found at <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/National-Correct-Coding-Initiative.html>.

Both NCCI Edits are set to deny and require providers to submit a first level appeal to Xerox, for reimbursement.

**Providers may appeal individual claim denials** to Xerox for Medicaid NCCI edits. Providers can submit an appeal using the Provider Appeals form located on the Xerox website at: <http://www.medicaidalaska.com/providers/forms.shtml>. First level appeals must be filed within 180 days of the adverse decision to meet the appeals timely filing regulation, 7 AAC 105.270.



**Instructions for submitting NCCI First Level Appeals:**

- A NCCI First Level Appeal must include:
- Appeals form completed and filled out correctly.
- A clean claim that can be processed without obtaining additional information from the provider of the service or from a third party.
- A copy of the claim denial (RA).
- Medical records/supporting documentation is required for Xerox review of NCCI edits.

First level appeals for NCCI edits must be mailed to:

Xerox State Healthcare, LLC  
Attn: Appeals  
P.O. Box 240808  
Anchorage, AK 99524-0808

Xerox adjudicates appeals based on federal and state regulations.

**Instructions for submitting NCCI Second Level Appeals:**

If the decision is upheld providers have the right to file a second level appeal. A second level appeal must be filed by the provider within 60 days of the first level appeal decision. Providers must submit the same documentation listed above and include a copy of the first level appeal determination.

Second level appeals should be submitted to:

Dept. of Health and Social Services  
Division of Health Care Services  
Attn: Claims Appeal Section  
4501 Business Park Boulevard, Suite 24  
Anchorage, AK 99503-7167

or

Dept. of Health and Social Services  
Division of Behavioral Health  
Attn: Claims Appeal Section  
3601 C Street, Suite 878  
Anchorage, AK 99503-5923

or

Dept. of Health and Social Services  
Division of Senior and Disability Services  
Attn: Claims Appeal Section  
550 W. 8<sup>th</sup> Avenue  
Anchorage, AK 99501

Providers are required to follow both federal and State of Alaska Medicaid guidelines when billing.

The recipient cannot be billed for any service that is denied and upheld either on a first- or second-level appeal.

Providers may also contact the fiscal agent's Provider Appeals staff at:

800.770.5650 (in-state, toll free)  
or  
907.644.6800 (in Anchorage or outside Alaska)

- with questions about this policy and/or related claims processing efforts.