



Manual: Reimbursement Policy

Policy Title: **Moda Health Reimbursement Policy Overview**

Section: Administrative

Subsection: None

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A. IMPORTANT STATEMENT

The purpose of Moda Health Reimbursement Policy is to document payment guidelines for those services covered by a member's medical benefit plan. Healthcare providers (facilities, physicians and other professionals) are expected to exercise independent medical judgment in providing care to members. Moda Health Reimbursement Policy is not intended to impact care decisions or medical practice.

Providers are responsible for accurately, completely, and legibly documenting the services performed. Billed codes shall be fully supported in the medical record and/or office notes. Providers are expected to submit claims for services rendered using valid codes from HIPAA-approved code sets. Claims are to be coded appropriately according to industry standard coding guidelines (including but not limited to UB Editor, AMA, CPT, CPT Assistant, HCPCS, DRG guidelines, CMS' National Correct Coding Initiative (CCI) Policy Manual, CCI table edits and other CMS guidelines).

Benefit determinations will be based on the member's medical benefit plan. Should there be any conflicts between the Moda Health Reimbursement Policy and the member's medical benefit plan, the member's medical benefit plan will prevail. Fee determinations will be based on the applicable provider fee schedule, whether out of network or from a participating provider's agreement, and Moda Health Reimbursement Policy.

Policies may not be implemented identically on every claim due to variations in routing requirements, dates of processing, or other constraints; Moda Health strives to minimize these variations.

***** The most current version of our reimbursement policies can be found on our provider website. If you are using a printed or saved electronic version of this policy, please verify the information by going to

https://www.modahealth.com/medical/policies_reimburse.shtml *****

B. General Information

The Moda Health Reimbursement Policy Manual documents Moda Health payment guidelines for medical claims from providers. Nationally published clinical coding guidelines are applied to coding edits and claims processing. Some policies address specific issues, and others cover more general principles of Reimbursement Policy.

This Reimbursement Policy Manual applies only to Moda Health Plan, Inc. (“Moda Health”), and DOES NOT APPLY TO ANY OTHER CARRIER OR COMPANY.

C. Use

1. The Moda Health Reimbursement Policy Manual is used by Moda Health to provide guidelines for consistent and predictable payment of claims, and to provide facilities, physicians, and other healthcare providers with documentation of Moda Health Reimbursement Policy.
2. If appropriate coding/billing guidelines or current reimbursement policies are not followed, Moda Health may:
 - a. Reject or deny the claim.
 - b. Recover and/or recoup claim payment.
3. The most current version of this manual (all policies) is posted on the Moda Health Website, Provider section. Copies of the relevant reimbursement policy may be enclosed with provider correspondence or faxed to billing offices in response to inquiries on covered topics.
4. If you are using a printed or saved electronic version of one of our policies, please verify the most current information by going to:
https://www.modahealth.com/medical/policies_reimburse.shtml .

D. Conflicts with Other Documents

1. Moda Health Reimbursement Policy and the applicable provider fee schedule, whether out of network or from a participating provider’s agreement, set fee allowances and reimbursement policy for those services that are determined to be covered under the member’s medical benefit plan.
2. The member’s medical benefit plan determines what is and is not covered, and what the benefit level is for covered services. These documents generally have a different function and purpose than Moda Health Reimbursement Policy Manual. Should there be any conflicts between the Moda Health Reimbursement Policy and the member’s medical benefit plan, the member’s medical benefit plan will prevail.

3. Moda Health Healthcare Services sets clinical policy and criteria for determining what services are considered medically necessary, investigational, and cosmetic under the member's plan.
 - a. Policy decisions on these topics are documented in Moda Health Medical Criteria. These documents also have a different function and purpose than Moda Health Reimbursement Policy Manual.
 - b. Moda Health clinical edits for investigational and cosmetic procedures are customized based on notifications received from Moda Health Healthcare Services regarding these determinations.
4. These policies may be modified or superseded by state, federal, and/or CMS mandates or regulations.

E. Scope

Unless otherwise specified within a specific policy, Moda Health Reimbursement Policy applies to all lines of business.

Moda Health Reimbursement Policy applies to both participating and non-participating providers.

F. Reimbursement Policy

Moda Health Reimbursement Policy shall be interpreted by Moda Health and may be modified at the sole discretion of Moda Health.

1. Code Sets

Moda Health accepts the following HIPAA (Health Insurance Portability and Accountability Act) compliant code sets for claims and claims processing:

- a. CPT (Current Procedural Terminology) codes, HCPCS Level I, published by the American Medical Association.
- b. HCPCS (Healthcare Common Procedure Coding System) Level II codes, published by CMS (Centers for Medicare and Medicaid Services).
- c. ICD-10-CM diagnosis codes, published by the United States government and the World Health Organization (WHO).
- d. ICD-10-PCS procedure codes (for UB-04 claims), published by the United States government and the World Health Organization (WHO).
- e. Revenue Codes (for UB-04 claims), published by the National Uniform Billing Committee (NUBC).

2. Sources for Policy Development

The following nationally recognized sources are consulted in the development of Moda Health Reimbursement Policy.

- The Centers for Medicare & Medicaid Services (CMS) National Correct Coding Initiative (CCI) Policy Manual and Associated Policies
- Centers for Medicare and Medicaid Services (CMS) written policy
- CMS National Physician Fee Schedule Relative Value File
- CMS fee schedules (including payment and bundling indicators) for the various provider and facility types
- CMS Ambulatory Surgical Center (ASC) group categories
- CMS Diagnosis Related Groups (DRG)
- CMS Federal Register
- CMS Resource Based Relative Value Units and recommendations
- Medicare Hospital Desk Reference
- Noridian Medicare Jurisdiction F, Parts A & B; Noridian Medicare Jurisdiction D, DME; other Medicare local carriers as appropriate.
- The American Medical Association (AMA) CPT (Current Procedural Terminology) manual
- The AMA CPT Assistant newsletter articles
- Healthcare Common Procedural Coding System (HCPCS) Level II Manual, including code definitions and associated text
- International Classification of Diseases, Clinical Modification (ICD-9-CM/ICD-10-CM) official guidelines for coding and reporting
- AHA Coding Clinic
- Uniform Hospital Discharge Data Set (UHDDS)
- Uniform Billing Editor
- Other general coding and claim payment references

Specialty Society positions *may* be considered in the development of Moda Health Reimbursement Policy.

In rare cases discrepancies exist between guidelines on a specific topic from two or more sources listed above. In these situations, Moda Health has sole discretion to determine which guideline to use in the development of Moda Health Reimbursement Policy.

3. Coding Software and Clinical Edits

Moda Health Reimbursement Policy includes Moda Health coding software guidelines and clinical edits. See “Clinical Editing,” policy # RPM002. Not every situation or edit can be specifically covered in the Reimbursement Policy Manual.

4. Carrier-specific Edits, Policies, & Guidelines

Moda Health recognizes that there is no one-size-fits-all-carriers for clinical edits or reimbursement policy; each carrier has some carrier-specific policies and edits. We

recommend that providers familiarize themselves with the locations of Moda Health's Reimbursement Policies and make note of our carrier-specific edits as they encounter them, as well as for each health plan with which they do business, and make best efforts to incorporate these into their regular workflow.

The American Medical Association's published guidelines address carrier-specific edits, policies, and reimbursement guidelines from commercial carriers and third-party payors:

"Since each third-party payor may establish reporting guidelines that vary from coding guidelines, a clear understanding of CPT coding guidelines, as well as third-party payor reporting guidelines is essential." (AMA³)

"CPT coding guidelines may differ from third-party payer guidelines. Eligibility for payment, as well as coverage policy, is determined by each individual insurer or third-party payer. For reimbursement or third-party payer policy issues, please contact your local third-party payer." (AMA⁴)

The Medicare National Correct Coding Initiative Policy Manual specifically states:

"The National Correct Coding Initiative Policy Manual for Medicare Services and the edits were developed for the purpose of encouraging consistent and correct coding and reducing inappropriate payment. The edits and policies do not include all possible combinations of correct coding edits or types of unbundling that exist. Providers are obligated to code correctly even if edits do not exist to prevent use of an inappropriate code combination." (CMS¹)

"NCCI does not contain edits based on this rule because Medicare Carriers (A/B MACs processing practitioner service claims) have separate edits." (CMS²)

"NCCI contains many, but not all, possible edits based on these principles." (CMS²)

"The NCCI contains many, but not all, edits bundling laparoscopic procedures into open procedures. Since the number of possible code combinations bundling a laparoscopic procedure into an open procedure is much greater than the number of such edits in NCCI, the principle stated in this paragraph is applicable regardless of whether the selected code pair combination is included in the NCCI tables. A provider should not select laparoscopic and open HCPCS/CPT codes to report because the combination is not included in the NCCI tables." (CMS⁵)

"The NCCI does not address issues related to HCPCS/CPT codes describing services that are excluded from Medicare coverage or are not otherwise recognized for payment under the Medicare program." (CMS⁶)

Moda Health's clinical editing system contains some edits which are not found on the NCCI edit tables, in the same manner as mentioned above regarding regional Medicare Carriers

(A/B MACs) having separate edits. These edits are based upon correct coding guidelines and principles and have the same general purpose as the NCCI edits, to prevent inappropriate payment.

5. When No Published Policy Exists

Claims are to be coded appropriately according to industry standard coding guidelines (including but not limited to UB Editor, AMA, CPT, CPT Assistant, HCPCS, DRG guidelines, CMS' National Correct Coding Initiative (CCI) Policy Manual, CCI table edits and other CMS guidelines). Information documented in these standard coding guideline sources will generally not be duplicated in a separate reimbursement policy.

For those situations outside of clinical editing software which are not specifically addressed in the Moda Health Reimbursement Policy Manual, Moda Health follows CMS policy.

G. Restrictions and Limitations

1. Reimbursement Policy does not determine which services are covered under the member's medical benefit plan. Rather, Reimbursement Policy supports the schedule of benefits in the member's medical benefit plan by establishing payment rules, coding hierarchy and related processing systems' edits.

The determination that a service, procedure, item, etc. is covered under a member's medical benefit plan is not a determination that you will be reimbursed. Some services are covered but are not eligible for separate reimbursement.

2. Reimbursement policy is not intended to dictate medical practice and does not constitute medical advice. Health care facilities, physicians and other health care providers are expected to exercise independent medical judgment in providing care to members. Moda Health Reimbursement Policy is not intended to impact care decisions or medical practice.
3. Moda Health Reimbursement Policy is the property of Moda Health Plan, Inc. and you are strictly prohibited from using it for any commercial use whatsoever. Commercial use does not include use of the Reimbursement Policy related to benefit payment for health care services received by a Moda Health member.
4. The Moda Health Reimbursement Policy Manual is not intended to address every aspect of a reimbursement situation. Accordingly, Moda Health may use reasonable discretion in interpreting and applying policies to services provided on a case by case basis.
5. Policies may not be implemented identically on every claim due to variations in routing requirements, dates of processing, or other constraints; Moda Health strives to minimize these variations.
6. Current Procedural Terminology CPT™ codes and descriptions are the property of the American Medical Association with all rights reserved. You are strictly prohibited from using CPT™ codes for any unauthorized use whatsoever.

H. Policy Maintenance and Updates

1. Policies in the Moda Health Reimbursement Policy Manual will be reviewed annually and may be updated more frequently on an as-needed basis.
2. Additional topics will be addressed based on business need and as time allows.

I. Policy-related Appeals

If you disagree with a specific Moda Health Reimbursement Policy as it has been applied to a specific claim, please follow the written Provider Appeal process outlined in the Moda Health Participating Provider Administrative Manual.

J. Cross References

“Clinical Editing.” Moda Health Reimbursement Policy Manual, RPM002.

K. References & Resources

1. CMS. *National Correct Coding Initiative Policy Manual*. Introduction, page 7.
2. CMS. *National Correct Coding Initiative Policy Manual*. Chapter 1 General Correct Coding Policies, § D.
3. American Medical Association. “A Closer Look at the Use of Surgical Modifiers.” *CPT Assistant*. Chicago: AMA Press, March 1996, p. 8.
4. American Medical Association. “Evaluation and Management: Prolonged Services.” *CPT Assistant*. Chicago: AMA Press, March 1996, p. 3.
5. CMS. *National Correct Coding Initiative Policy Manual*. Chapter 1 General Correct Coding Policies, § E.
6. CMS. *National Correct Coding Initiative Policy Manual*. Chapter 1 General Correct Coding Policies, § S.