

NC Division of Medical Assistance

National Correct Coding Initiative (NCCI) Fact Sheet

In March 2010, the Patient Protection and Affordable Care Act of 2010 [(H.R. 3590) Section 6507 (Mandatory State Use of National Correct Coding Initiative (NCCI))] was approved. This legislation requires all state Medicaid programs to incorporate “NCCI methodologies” in their claims processing systems. States have until March 31, 2011, to comply the NCCI mandate.

NCCI is a CMS program that consists of coding policies and edits that identify procedures and services performed by the same provider on the same date of service. This program has been in existence for Medicare since 1996, and in 2010 is now being applied to Medicaid services.

There are two main components of the CMS mandate:

- NCCI – procedure-to-procedure edits for practitioners, ambulatory surgical centers, and outpatient hospital services that define pairs of HCPCS/CPT codes that should not be reported together.
- Medically Unlikely Edits (MUE) – these are units of service edits for practitioners, ambulatory surgical centers, outpatient hospital services, and durable medical equipment. This component defines for each HCPCS/CPT code the number of units of service that is unlikely to be correct (e.g., claims for excision of more than one appendix or more than one hysterectomy).

The purpose of the mandated edits is to prevent improper payments when a provider submits incorrect code combinations or to avoid payments of units in excess of what is medically unlikely.

All information pertaining to the NCCI mandate is published on the CMS website. The NCCI State Medicaid Director letter and the Frequently Asked Questions documents contain valuable information regarding this mandate. These documents can be accessed from the following link:

<http://www.cms.gov/MedicaidNCCICoding/>

The comprehensive list of codes can be downloaded by type of provider or service from the following link:

http://www.cms.gov/MedicaidNCCICoding/06_NCCIandMUEEdits.asp#TopOfPage

The N.C. Division of Medical Assistance (DMA) will be compliant with NCCI in first quarter of 2011. As DMA progresses through the NCCI implementation, additional information will be published. DMA will begin developing an information page on their website related to NCCI for additional information and links to CMS.