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MEMORANDUM

October 11, 2018

To: Chief Financial Officers
From: Dennis N. Phelps, Associate Director-Audit & Compliance
Re: National Correct Coding Initiative Edits

As I am sure you are aware, the Centers for Medicare and Medicaid Services (CMS) activated National Correct Coding Initiative (NCCI) edits 20 (W7020) and 40 (W7040) for claims received by Novitas Solutions, Inc., the Medicare Intermediary, on or after July 1, 2018, regardless of date of service. These edits apply to services provided to the same beneficiary, on the same date of service, by the same provider. Edit W7020 applies to the second of a pair of services that is not allowed by NCCI even if the appropriate modifier is present. Edit W7040 applies to the second of a pair of services that would be allowed by NCCI if the appropriate modifier is present.

Since Maryland hospitals were not sufficiently apprised of the activation of the edits, CMS has granted a 90-day moratorium for Maryland hospitals effective October 1, 2018, through December 31, 2018 to adjust to the activation of the edits. The moratorium also applies to any claims being resubmitted or appealed that were initially billed and processed from July 1, 2018, through September 30, 2018.

We are awaiting written confirmation from CMS that W7020 and W7040 are the only new edits that will be applied to Maryland hospital claims beginning January 1, 2019.

If you have any questions concerning the above, you may contact me at 410-764-2565.