

# PROVIDER BULLETIN

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TO: All Medicaid Providers

FROM: Vivianne M. Chaumont, Director   
Division of Medicaid & Long-Term Care

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Program Integrity

RE: The National Correct Coding Initiative

**Please share this information with professional, clinical, administrative, and billing staff.**

The Center for Medicare and Medicaid Services (CMS) requires that state Medicaid programs implement the methodologies of the National Correct Coding Initiative (NCCI). CMS originally developed the NCCI methodologies in 1996 to promote national correct coding methodologies and to control improper coding leading to inappropriate payments of Medicare claims.

The coding policies were developed based on coding conventions defined in the American Medical Association's Current Procedural Terminology (CPT) manual, national and local policies and edits, coding guidelines developed by national societies, analysis of standard medical and surgical practices, and a review of current coding practices. The CMS reviews and updates these policies annually.

The CMS has reviewed these coding policies and determined that all of the NCCI coding methodologies are appropriate for Medicaid claims. The policies, Medicaid specific NCCI manuals, and additional information can be found at the CMS website (<http://www.cms.gov/MedicaidNCCICoding/>).

The NCCI edits are effective for claims received on or after April 1, 2011, for service dates beginning 10/1/2010. Compliance with the edits may be determined prospectively (pre-payment editing that results in a claim denial) or retrospectively (post-payment editing that results in a refund request).

The CMS has directed states to apply the NCCI edits first and similar state edits second. So adjusting a claim to comply with NCCI may not result in payment if the claim remains out of compliance with Nebraska specific edits.

Nebraska Medicaid had a sample of claims compared to the NCCI edits and found that most claims are compliant with the CMS expectations. Nebraska Medicaid will continue to publish updates and

informational materials as they become available. If you have questions, please contact Anne Harvey via e-mail at [anne.harvey@nebraska.gov](mailto:anne.harvey@nebraska.gov) or via phone at (402)471-1718.