

PROVIDER BULLETIN

No. 12-31

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TO: Nebraska Medicaid and CHIP Providers
FROM: Vivianne M. Chaumont, Director 
Division of Medicaid & Long-Term Care
BY: Betsie Steenson, Program Integrity Unit
RE: Submitting Correct Diagnosis Codes on Claims

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

The Federal Deficit Reduction Act (DRA) has enabled more funds to be spent to ensure that fraud and abuse in Medicare and Medicaid are being identified and reduced through different audits such as the Payment Error Rate Measurement (PERM), the audits that are being conducted by Medicaid Integrity Contractors (MICs), the audits that will be conducted by Recovery Audit Contractors (RACs), and the Department's regular Program Integrity efforts.

Incorrect diagnosis coding was the cause of 31.25% of the error findings based on medical record review in the most recent PERM review. Claims with incorrect diagnosis coding led to several overpayments that were recouped, and some underpayments.

It is important to verify that the coding on a claim is correct not only to receive appropriate payment, but to make sure that the patient's medical record is accurately communicated to their payor. When assigning diagnosis codes, please follow the coding guidelines provided in the ICD-9-CM manual (ICD-10-CM when effective 10/01/2014). The primary diagnosis on a claim should be the main reason that the patient was being seen or treated. Any additional diagnoses that were treated, or that directly affected treatment, should be included. If a patient has a chronic condition that does not affect the current treatment, this diagnosis should not be included on your claim unless otherwise directed by ICD-9-CM guidelines (ICD-10-CM when effective October 1, 2014). All diagnoses submitted on a claim should be reflected in the supporting medical documentation.

With HIPAA privacy laws, many providers are concerned about the validity of information requests. If you receive a request for records, and are not sure if it is a valid request, please contact your DHHS program specialist. If you have any questions about this provider bulletin, please contact Betsie Steenson at (402) 471-9353.