A. IMPORTANT STATEMENT

The purpose of Moda Health Reimbursement Policy is to document payment policy for covered medical and surgical services and supplies. Health care 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. The billing office is expected to submit claims for services rendered using valid codes from HIPAA-approved code sets. Claims should 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 applicable member contract language. To the extent there are any conflicts between the Moda Health Reimbursement Policy and the member contract language, the member contract language will prevail, to the extent of any inconsistency. Fee determinations will be based on the applicable provider contract language and Moda Health reimbursement policy. To the extent there are any conflicts between Reimbursement Policy and the provider contract language, the provider contract language will prevail.

B. General Information

The Moda Health Reimbursement Policy Manual documents Moda Health payment methodology for facility and professional claims, medical and surgical services, and supplies. It applies definitions and clinical rationale of approved, nationally published clinical coding guidelines, and addresses coding and edits for claims payment. Some policies address specific issues, and others cover the principles used to make Moda Health 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

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.

A current copy of this manual 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.

D. Conflicts with Other Documents

1. Moda Health Reimbursement Policy and Moda Health provider contracts set fee allowances
and reimbursement policy for those services that are determined to be covered under the
member’s plan.
   a. In the event that there is a conflict between the provider contract and Moda Health
      Reimbursement Policy, the provider contract will prevail.
   b. Moda Health Reimbursement Policy applies to non-participating providers, as there is
      no provider contract in place to take precedence.

2. Moda Health Member Plan Contracts determine 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. To the extent there are any
   conflicts between the Moda Health Reimbursement Policy and the member contract
   language, the member contract language will prevail, to the extent of any inconsistency.

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
   b. Moda Health clinical edits for investigational and cosmetic procedures are customized
      based on notifications received from Moda Health Healthcare Services regarding these
      determinations.

E. Scope

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


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.

- 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.” (CMS³)

“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 should 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 the schedule of benefits. Rather, Reimbursement Policy supports the schedule of benefits in the member’s contract by establishing payment rules, coding hierarchy and related processing systems’ edits.

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. 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


K. References & Resources


2. CMS. *National Correct Coding Initiative Policy Manual*. Chapter 1 General Correct Coding Policies, § D.


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.