

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services  
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Baltimore, Maryland 21244-1850



**CENTER FOR MEDICARE**

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**DATE:** August 24, 2021

**TO:** All Medicare Advantage, Cost, PACE, and Demonstration Organizations Systems Staff

**FROM:** Jennifer R. Shapiro, Director, Medicare Plan Payment Group

**SUBJECT:** Encounter Data Software Release Updates: 2021 Quarter 3 Release

The Centers for Medicare and Medicaid Services (CMS) continues to implement software improvements to the systems related to accepting and processing encounter data to support the Medicare Advantage (MA) program. The changes described in this memo impact edits within the Encounter Data Processing System (EDPS) and are effective for submissions beginning August 27, 2021, regardless of date of service.

**Edit 22340 “End-Stage Renal Disease (ESRD) Diagnosis Code Missing”**

Edit 22340 is an institutional reject edit. The edit logic applies to institutional encounters submitted with the 72X type of bill and checks for specific ESRD codes. Currently the acceptable ICD-10 codes are N18.1, N18.2, N18.3, N18.4, N18.5, N18.6, N18.9, N17.0, N17.1, N17.2, N17.8, N17.9, T795XXA, T795XXD, T795XXS, N99.0 when the from date of service is on or after 10/1/2015 and the acceptable ICD-9 codes are 585.1, 585.2, 585.3, 585.4, 585.5, 585.6, or 585.9 when the Through Date of Service is before 10/01/15. The edit logic is being updated to include new Chronic Kidney Disease (CKD) ICD-10 Diagnosis codes N18.30, N18.31, N18.32, which were effective 10/1/2020. These changes will be effective for encounters submitted beginning August 27, 2021. Any encounters that were submitted with these new codes after their effective date and prior to this system release date can be resubmitted.

**Edit 18710 “Missing / Invalid Present on Admission (POA) Indicator”**

Edit 18710 is an institutional reject edit. Edit 18710 is not an active edit and is being removed from the look-up tool effective on August 27, 2021.

**Edit 01405: “Sanctioned Provider”**

Edit 01405 is a professional and institutional reject edit. The edit is being updated to include Durable Medical Equipment (DME) encounters. Edit 01405 validates the Rendering or Billing Provider National Provider Identifier (NPI) submitted on the encounter against the CMS Sanction and Waiver files from the CMS Medicare Exclusion Database (MED).

For DME encounters:

The edit check applies when the billing and rendering NPIs are submitted on encounter data and chart review records. If a record has both NPIs, then the edit checks both the billing and the rendering provider NPIs, but if the record only has one of these two types of NPIs, then the edit check will apply to the submitted NPI. The edit checks the billing provider (header level) and the rendering provider (line level for Professional and DME encounters; however, if it is not submitted at line level, then the rendering provider submitted at the header will be used for that line). For billing provider, the edit gets posted at encounter header level. For rendering provider, edit gets posted at service line level (even if the rendering provider is only submitted at the header level).

If either the billing or rendering provider NPI submitted on the encounter data or chart review record is in the MED Sanction file and the sanction date field (SANCDATE) is populated in the MED Sanction file and the header level or line level ‘from date of service’ on the encounter data falls between the sanction date and the reinstatement date field (REINDATE), if populated, then this edit will post.

If the billing provider and rendering provider NPI on the encounter data or chart review record exists on the MED Waiver file and the header level or line level ‘from dates’ are between the dates in the ‘WAIVEREFFDT’ and ‘WAIVERENDDT’ data fields of the MED Waiver file, this edit will be bypassed. This change will occur for all DME encounters submitted and will become effective on August 27, 2021.

The following scenarios outline how the edit functions:

1. If the billing or rendering provider is sanctioned, the edit will post.
2. If both the billing and rendering providers are sanctioned, the edit will post.
3. If the billing provider is sanctioned, but rendering provider is on waiver file, the edit will post. Similarly, if the rendering provider is sanctioned and the billing provider is on the waiver file, the edit will post.
4. If the billing and rendering providers are sanctioned but are both on waiver file and the “from date of service” falls between the waiver effective and end date, the edit will be bypassed.
5. If one of the providers is sanctioned but is on the waiver file and the “from date of service” falls between the waiver effective and end date, and the other provider is not sanctioned, then the edit is bypassed.
6. If billing and rendering are not on any file, the edit is bypassed.

### **Edit 25001 Medically Unlikely Error**

Edit 25001 is a professional informational edit. This edit validates the units reported for professional services against the maximum limit defined by the Medically Unlikely Edit File (MUE). During review of this edit, CMS determined that this edit does not trigger frequently and therefore can be deactivated. Edit 25001 will be deactivated effective on August 27, 2021 and therefore this edit will not apply to encounters beginning August 27, 2021.

### **Edit 03340 “Dx Not Listed on Reference Table”**

Edit 03340 is a reject edit for all encounter record types. This edit rejects the record if the secondary diagnosis code is populated on the encounter record but is not found on Diagnosis Reference table. Upon review of this edit code, it was determined that Edit 03340 is duplicative of front end edits that are in place and returned on the 277CA report. Therefore, the edit is not necessary within the EDPS system. Edit 03340 will be deactivated effective August 27, 2021 and will not apply to encounters submitted beginning August 27, 2021.

### **Reminder on Test Environment**

As a reminder, MAOs and other entities are strongly encouraged to utilize the Tier II testing environment when they have questions or issues regarding edits received on the Encounter Data Front-end System (EDFES) Acknowledgement Reports or MAO-002 Encounter Data Processing Status reports; and when they have new submission scenarios that they wish to test prior to submitting to production. The Tier II Testing environment will provide transaction reports to help identify any issues or scenarios that would need to be addressed.

Questions can be submitted to [RiskAdjustmentOperations@cms.hhs.gov](mailto:RiskAdjustmentOperations@cms.hhs.gov), please specify, “Encounter Data Software Release Updates: 2021 Quarter 3 Release” in the subject line. Thank you.