

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



CATHY BETTS
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Med-QUEST Division
Health Analytics Office
P. O. Box 700190
Kapolei, Hawaii 96709-0190

June 17, 2023

MEMORANDUM

MEMO NO.

QI-2321 [Addendum to QI-1516]

FFS 23-10

CCS-2307

TO: QUEST Integration (QI) Health Plans
Medicaid Fee-For-Service (FFS) Providers
Community Care Services (CCS) Providers, and Pharmacies

FROM: Judy Mohr Peterson, PhD
Med-QUEST Division Administrator 

SUBJECT: CHANGES TO STATUS OF ERROR CODE D330 PRIMARY DX CD MUST BE WITH
TRANSPORTATION OR INTERPRETIVE PROCEDURE CODE

The purpose of this memorandum is to inform the health plans of a change in encounter data edit code status for edit D330 PRIMARY DX CD MUST BE WITH TRANS OR INTERP SERV PROC CD from hard pend to deny. This change is effective for encounters with dates of service starting July 1, 2023.

Background:

Med-QUEST (MQD) previously released guidance on the use of unspecified diagnosis codes in memorandum QI-1516 (FFS-1516) on September 28, 2015.

CMS informed the State Medicaid Agencies on July 9, 2015, that they have come up with Medicare guidelines related to the specificity of the ICD-10 diagnosis required on Medicare claim submissions and that Medicaid guidelines would be forthcoming. At the time of QI-1516's publication, CMS guidelines for Medicaid had not been issued. QI-1516 states that MQD

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made the decision to follow the released Medicare guidelines (found in a FAQ (#2) here: <https://www.cms.gov/Medicare/Coding/ICD10/Downloads/ICD-10-guidance.pdf>) related to specificity level of diagnosis coding and apply them to the Medicaid population. The guidelines state that while ICD-10 diagnosis coding to...

...the correct level of specificity is the goal for all claims, for 12 months after ICD-10 implementation, Medicare review contractors deny physician or other practitioner claims billed under the Part B physician fee schedule through either automated medical review or complex medical record review based solely on the specificity of the ICD-10 diagnosis code as long as the physician/practitioner used a valid code from the right family.

From this, MQD determined it would not pend or deny claims solely based on the specificity of the ICD-10 diagnosis code used as long as a valid code is used from the correct family.

CMS has continued to update its guidance on the use of unspecified diagnosis codes through the years. The latest version is the <https://www.cms.gov/files/document/fy-2023-icd-10-cm-coding-guidelines-updated-01/11/2023.pdf>.

QI-1516 states that beginning on October 1, 2015, the use of the 'R69' ICD-10 unspecified diagnoses code will not be accepted for anything other than transportation and interpretation services. ALL other services must have a beneficiary-specific ICD-10 diagnosis code.

Hawaii MQD has an active encounter data edit in place to enforce compliance with these requirements. Edit D330 PRIMARY DX CD MUST BE WITH TRANS OR INTERP SERV PROC CD is triggered when encounters contain diagnosis code R69 in conjunction with a procedure code other than transportation an interpretation services. Currently the D330 edit status is set to hard pend for the following transactions:

- 837P professional encounters (Form Type A)
- 83I institutional outpatient encounters (Form Type O)

Hard pend means the encounter is neither accepted nor denied but instead is held in suspension and the data is not available for use or to submit to CMS.

Policy Action

This edit will be set to deny for both forms, and any encounter submitted with diagnosis code R69 that is not accompanied by a procedure code for a transportation or interpretation service will be denied.

Prior to changing the edit status, Med-QUEST will post an extract of reference table RF724 which lists the transportation/interpretation service codes that bypass the D330 edit to the SFTP site in ShareINFO/OTHER.

NOTE: Health plans should reach out to mqd-encounters@dhs.hawaii.gov if they believe that additional transportation/interpretation services codes should be added to the bypass reference table.

Impact

Immediate: Med-QUEST will post an extract of reference table RF724 that lists the transportation/interpretation service codes that bypass the D330 edit to the SFTP site.

Instructions for this requirement will be added to the **837 Encounter Companion Guide**, and Med-QUEST will provide a link to the updated CGs to QI Health Plans via email.

NOTE: Health plans can create claims edits to reject claims with ICD-10 diagnosis code R69 'Unspecified'. Health plans should include logic in their edits so that claims with transportation or interpretation procedure codes do not get rejected for use of R69 'Unspecified'.

Intermediate: Med-QUEST will update edit D330 to deny encounters starting with dates of service July 1, 2023.

Future: Plans will reach out to mqd-encounters@dhs.hawaii.gov if they discover additional transportation/interpretation services codes that should be added to the bypass reference table.

As Med-QUEST continues to refine policies to enforce Federal and State claim and encounter data requirements, eventually, denied claims and encounters will not be used for capitation rate setting.

Please contact mqd-encounters@dhs.hawaii.gov if you have any questions on this guidance.