

Coding Policy Policy and Procedure		
SUBJECT: Coding Policy 19.0 Service Code Policy	DEPARTMENT: Coding Compliance	
ORIGINAL EFFECTIVE DATE: 01/1994	DATE(S) REVIEWED/REVISED: 03/02, 03/03, 03/04, 01/05, 01/06, 01/07, 01/08, 01/09, 01/10, 01/11, 01/12, 01/13, 02/13, 01/14, 01/15, 01/16, 01/17, 01/18, 01/19, 01/20, 01/21	
APPROVED BY: Coding Policy Review Committee	NUMBER: MC 19.0	PAGE: 1 of 2

SCOPE:

Providence Health Plan, Providence Health Assurance, Providence Plan Partners, and Ayin Health Solutions as applicable (referred to individually as “Company” and collectively as “Companies”).

APPLIES TO:

Health Plan Providers
All Lines of Business

POLICY: Company uses the most current published service codes for coverage issues and pricing. These service codes are published in the Current Procedural Terminology (CPT), ICD-10-CM, HCPCS (National Level II codes) and Diagnostic Related Groupings (DRG) books. Systematic implementation of approved service codes and rates is effective January 1st of each year. Health Insurance Portability and Accountability Act (HIPAA) requires that providers use the most current code sets for billing services.

DEFINITIONS:

CPT procedure codes and modifiers are defined in the current edition of CPT as published by the American Medical Association. These service codes are updated during the year and published annually in the last quarter of the year.

HCPCS are defined by CMS. HCPCS codes and modifiers are used for describing materials, injections and services rendered that are not assigned a CPT code.

Updates of the HCPCS are controlled by CMS. Updates are done throughout the year.

ICD-10-CM codes are defined in the current edition of the International Classification of Diseases, 10th Revision, Clinical Modification. Codes are updated annually in September and effective in October.

DRGs are defined by CMS. DRGs are classifications of diagnoses in which patients demonstrate similar resource consumption and length-of-stay patterns. Individual DRGs are assigned to inpatient admissions by the hospitals, utilizing the diagnoses, procedures performed, age, sex, discharge, and length of stay to calculate. Groupings are updated annually, typically effective October 1st.

Company clinical edits are developed using information from Providence Health Plan Medical Directors, medical specialty societies, CPT guidelines, and/or CMS National Correct Coding Initiative policy guidelines. These edits may differ from CCI edits and/or CPT guidelines and will take precedence over CCI edits or CPT guidelines when that is the case.

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PROCEDURE:

Coding Compliance monitors updates or changes to the coding systems annually when new codes are released for the following year, as well as periodically throughout the year as new codes are published. Coding Compliance reviews the codes with respect to impact on coding policies and/or current edits, establishes new edits as needed, and consults with other internal departments, including System Administration, Operations, Provider Relations, Medical Policy, and Medical Management regarding implementation and coverage issues.

Changes or additions to Company clinical edits that could have a negative financial impact on providers will be communicated to providers in the “Coding Policy Alerts” on ProvLink 60 days prior to implementation.

National Correct Coding Initiative (NCCI) edit updates will be reviewed and implemented quarterly as published by CMS. There will be no notification to providers prior to implementation of NCCI edits.

Code sets will be implemented following HIPAA Rules and Regulations.

REFERENCE:

Providence Health Plan Provider Contracts
Providence Health Plan Coding Policies