

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1107	Date: NOVEMBER 9, 2006
	Change Request 5344

SUBJECT: Notification and Testing of an Integrated Outpatient Code Editor (OCE) for the July 2007 Release

I. SUMMARY OF CHANGES: This instruction informs the Fiscal Intermediaries (FIs) and the Fiscal Intermediary Standard System (FISS) of the integration and testing of the non-Outpatient Prospective Payment System (OPPS) OCE into the OPSS OCE effective July 1, 2007. Claims with dates of service prior to July 1, 2007, will be routed through the non-integrated versions of the OCE software (OPPS and non-OPPS OCEs) that coincide with the versions in effect for the date of service on the claim. This integration will result in the routing of all institutional outpatient claims (which includes non-OPPS hospital claims) through a single integrated OCE eliminating the need to update, install, and maintain two separate OCE software packages on a quarterly basis. This integration does not change current logic that is applied to outpatient bill types that already pass through the OPSS OCE software. It merely expands the software usage to include non-OPPS hospitals.

New / Revised Material

Effective Date: July 1, 2007

Implementation Date: July 2, 2007

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
R	4/40/Outpatient Code Editor (OCE)
R	4/40/40.1/Integrated OCE (July 2007 and later)
R	4/40/40.2/Outpatient Prospective Payment System (OPPS) OCE (Prior to July 1, 2007)
R	4/40/40.2.1/Patient Status Code and Reason for Patient Visit for the Hospital OPPS
R	4/40/40.3/Non - OPPS OCE (Rejected Items and Processing Requirements) (Prior to July 1, 2007)

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.

IV. ATTACHMENTS:

One Time Notification

Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment – One-Time Notification

Pub. 100-04	Transmittal: 1107	Date: November 9, 2006	Change Request: 5344
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SUBJECT: Notification and Testing of an Integrated Outpatient Code Editor (OCE) for the July 2007 Release

Effective Date: July 1, 2007

Implementation Date: July 2, 2007

I. GENERAL INFORMATION

A. Background: This instruction informs the Fiscal Intermediaries (FIs) and the Fiscal Intermediary Standard System (FISS) of the integration and testing of the non-Outpatient Prospective Payment System (OPPS) OCE into the OPPS OCE effective July 1, 2007. Claims with dates of service prior to July 1, 2007, will be routed through the non-integrated versions of the OCE software (OPPS and non-OPPS OCEs) that coincide with the versions in effect for the date of service on the claim. This integration will result in the routing of all institutional outpatient claims (which includes non-OPPS hospital claims) through a single integrated OCE eliminating the need to update, install, and maintain two separate OCE software packages on a quarterly basis. **This integration does not change the current logic that is applied to outpatient bill types that already pass through the OPPS OCE software. It merely expands the software usage to include non-OPPS hospitals. This new software product will be referred to as the Integrated OCE.** Once the integration is complete (currently slated for July 2007), CMS will reduce the number of quarterly Change Requests by 4 per year resulting in a reduction in paperwork and overall cost for the Agency. CMS, the standard system, and FIs will also see a reduction in the number of claims processing questions related to non-OPPS OCE, since detailed edit dispositions will be given to non-OPPS hospitals with the integrated OCE.

The prevailing reasons for the integration of the OCEs are as follows:

- Technical challenges in maintaining the Non-OPPS interactive DOS/16-bit program causes a major vulnerability for the Medicare Program;
- Ongoing work effort involved in issuing two software packages quarterly places a strain on limited staffing resources and Maintainer programming hours;
- The non-OPPS OCE does not comply with the statutes described in MMA Provision (Section 731) because of the way the software is structured; and
- There are long-standing systems issues related to the non-OPPS OCE software that require corrective action.

1. History

OPPS OCE

The current OPPS OCE processes claims for all outpatient institutional providers with the exception of hospitals not subject to OPPS. It performs detailed editing and evaluates patient data to help identify possible coding errors, returning a series of edit flags with claim/line item actions. It also assigns Ambulatory Payment Classification (APC) numbers based on

Healthcare Common Procedure Coding System (HCPCS) codes for payment under the OPPS. Lastly, the OPPS OCE sets a series of indicators/flags based on various coding criteria and sends those indicators/flags to the OPPS Pricer to determine pricing.

Non-OPPS OCE

The current non-OPPS OCE processes claims for the following non-OPPS hospitals: Indian Health Service Hospitals, critical access hospitals (CAHs), Indian Health Service Hospitals (IHS)/ Tribal hospitals including IHS/Tribal CAHs, Maryland hospitals, as well as hospitals located in American Samoa, Guam, or the Commonwealth of the Northern Mariana Islands. In addition, the current non-OPPS OCE processes claims from Virgin Island hospitals with dates of service January 1, 2002, and later, and from hospitals that furnish only inpatient Part B services with dates of service January 1, 2002, and later. Unlike the OPPS OCE, the non-OPPS OCE does not perform detailed editing and grouping since it is not required for these hospitals.

2. Testing

CMS will be providing the standard system with an earlier version of the integrated OCE for testing purposes. We anticipate the release of this software to the standard system in early April 2007. Upon receipt of the software, the standard system will install and run the new integrated OCE. The purpose of the earlier testing phase is to work out any issues with the integrated OCE prior to full implementation in July.

Included in this instruction are the following materials:

Integrated Edit/Disposition Table for Hospitals	Since the integration expands the software usage to include non-OPPS hospitals, this table reflects each edit and whether it applies to non-OPPS hospitals.
Logic for assigning Non-OPPS Hospital Payment Method Flag Values	This is the documentation of logic for assigning payment method flag values. NOTE: This document is subject to change based on recurring quarterly updates.
OCE Edits by Bill Type Chart for Non-OPPS Hospitals	This is the documentation of OCE edits applied by bill type (modeled after Appendix F in the current OPPS OCE). NOTE: This document is subject to change based on recurring quarterly updates.
Standard System Mapping Document	This is a mapping document specifically for FISS. The first sheet presents the OPPS interface as-is, with detailed descriptions of each field. The second sheet presents the legacy Non-OPPS interface, with recommended conversion notes/analysis for each field and where to put or get the same information in the OPPS Integrated interface. The third sheet presents recommended conversion details from the old Non-OPPS DX and PROC FLAG output buffer formats and where to get the same information in the OPPS Integrated interface. The fourth sheet presents recommended conversion details from the old Non-OPPS OCEBUFF claim level output buffer and where to get the same information in the OPPS

Integrated interface. **This document does not impact FIs.**

B. Policy:

This new software product will be referred to as the Integrated OCE. Once the integration is complete (currently slated for July 2007), CMS will reduce the number of quarterly Change Requests by 4 per year resulting in a reduction in paperwork and overall cost for the Agency. CMS, the standard system, and FIs will also see a reduction in the number of claims processing questions related to non-OPPS OCE, since detailed edit dispositions will be given to non-OPPS hospitals with the integrated OCE.

This notification provides instructions and specifications for the integrated OCE, which will be used to process claims for the following institutional providers:

- OPPS providers (hospital outpatient departments, Community Mental Health Centers (CMHC's) and for limited services provided in a Home Health Agency (HHA) not under the Home Health Prospective Payment System, or to a hospice patient for the treatment of a non-terminal illness);
- Non-OPPS hospitals (Indian Health Service Hospitals, Critical Access hospitals (CAHs)), Maryland hospitals, as well as hospitals located in American Samoa, Guam, or the Commonwealth of the Northern Mariana Islands. In addition, claims from Virgin Island hospitals with dates of service January 1, 2002, and later, and hospitals that furnish only inpatient Part B services with dates of service January 1, 2002, and later are edited in the non-OPPS OCE; and
- All non-hospital outpatient institutional providers (HHAs, Skilled Nursing Facilities, Rural Health Clinics, Federally Qualified Health Centers, Hospices, Renal Dialysis Facilities, Religious Non-Medical Healthcare Institutions, Comprehensive Outpatient Rehabilitation Facilities, and Outpatient Physical Therapy Providers).

Currently, there are 10 edits in the OPPS OCE that are **identical** in the OPPS and non-OPPS OCEs. Therefore the edit numbers currently assigned in the OPPS OCE will be assigned in the integrated OCE. The edits are: 1, 2, 3, 5, 6, 8, 9, 12, 25, and 26.

Currently, there are 5 edits in the OPPS OCE that are very **similar** to edits in the non-OPPS OCE. Therefore the edit numbers currently assigned in the OPPS OCE will be assigned in the integrated OCE. The edits are: 23, 24, 28, 61, and 72.

There are 15 edits that currently occur **only** in the OPPS OCE that will be applied to non-OPPS hospitals in the integrated OCE. These edits are as follows: 10, 11, 15, 17, 18, 22, 41, 46, 50, 53, 54, 65, 67, 68, and 69.

The edits listed above will be assigned to all institutional outpatient claims. The remaining edits will continue to be applied to non-hospital providers as currently indicated in Appendix F of the existing OPPS specifications.

The following edits are currently in the **non-OPPS OCE** and will be eliminated with the OCE integration: conflict cataract procedure, out of scope procedure list, unlisted procedure list, not

III. PROVIDER EDUCATION

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I I E R	C A R E R	D M R C	R E H I	Shared-System Maintainers			
							F I S S	M C S	V M S	C W F	
5344.4	A provider education article related to this instruction will be available at www.cms.hhs.gov/MLNMattersArticles shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X		X			X	X			

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

B. For all of the recommendations and supporting information, use the space below:

V. CONTACTS

Pre-Implementation Contact(s):

For OCE related questions contact Maria Durham at maria.durham@cms.hhs.gov, Diana Motsiopoulos at diana.motsiopoulos@cms.hhs.gov, or Antoinette Johnson at antoinette.johnson@cms.hhs.gov

Post-Implementation Contact(s): Regional Office

VI. FUNDING

A. No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

B. The contractor is hereby advised that this constitutes technical direction as defined in your contract. We do not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts specified in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

Attachments:

Appendix F(b) – OCE Edits Applied by Non-OPPS Hospital Bill Type

Appendix E(b) – Logic for Assigning Non-OPPS Hospital Payment Method Flag Values

Integrated Edit Disposition Tables for Hospitals

FISS ONLY – Standard Systems Mapping Documents

Appendix F(b) - OCE Edits Applied by Non-OPPS Hospital Bill Type

FLOW CHART CELL (*)	Provider/Bill Types	Proc [8, 9, 11, 12, 50, 53, 54, 69]	Dx [-3, 5]	HCPC [6]	Non-Mcare [28]	Proc & Modifier [18]	HCPC Req'd [48 ^a]	Modifier [17, 22]	CCI [19, 20, 39, 40]	^a Line Item Date [15]	Units [15]	Rev Code [41, 65]	Age, Sex [25-26]	Partial Hosp [29-34]	APC [21, 27, 42]	MH [35, 63, 64]	APC/ASC buffer completed [46]	Bill Type [46]	FDA/NCD [67, 68]	DME (61); Nor FI (72) Opps Proc (55)			
		1	12x&14x w cond code 41/OPPS flag =2	No	No	No		No	No	No	No	No	No	No	No	No	No	No	No	No	Yes	No	No
2	12x&14x w.o cond code 41/OPPS flag =2	Yes	Yes	Yes		Yes	Yes	No	Yes	No	Yes	Yes	Yes		Yes	No	No	No	No	No	Yes	No	Yes
3	13x w condition code 41/OPPS flag = 2	Yes	Yes	Yes		Yes	Yes	No	Yes	No	Yes	Yes	Yes		Yes	No	No	No	No	No	Yes	No	Yes
4	13x w.o cond code 41/OPPS flag = 2	Yes	Yes	Yes		Yes	Yes	No	Yes	No	Yes	Yes	Yes		Yes	No	No	No	No	No	Yes	No	Yes
5	85x/OPPS flag = 2	Yes	Yes	Yes		Yes	Yes	No	Yes	No	Yes	Yes	Yes		Yes	No	No	No	No	No	Yes	No	Yes
6	83x/OPPS flag = 2	Yes	Yes	Yes		Yes	Yes	No	Yes	No	Yes	Yes	Yes		Yes	No	No	No	No	Yes	Yes	No	Yes

(*) FLOW CHART CELLS ARE IN HIERARCHICAL ORDER

Yes = edits apply, No = edits do not apply

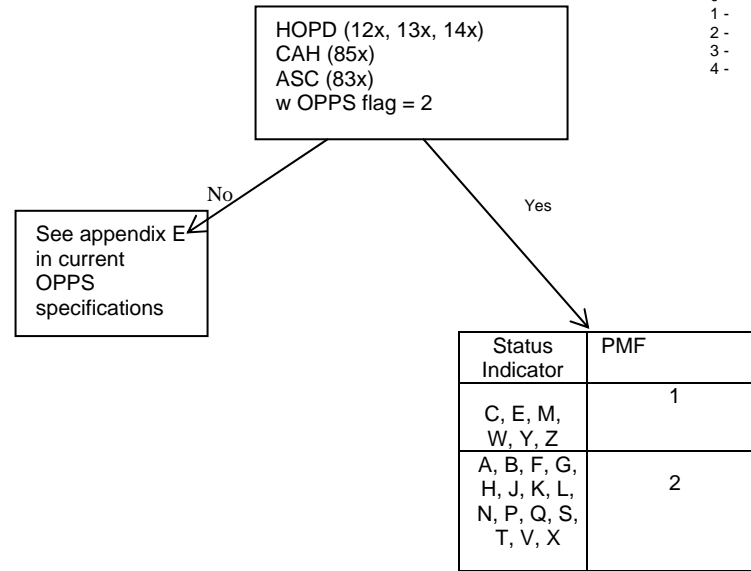
Edit 10, and Edits 23 and 24 for From/Through dates, are not dependent on AppxF

^a if edit 23 is not applied, the lowest service (or From) date is substituted for invalid dates, and processing continues.

^b Bypass edit 22 if Revenue code is 540 ^c Edit 53 not applicable for bill type 13x, 85x or 83x

Appendix E(b)

Logic for Assigning Non-OPPS Hospital Payment Method Flag Values



Payment Method Flag (PMF)

- 0 - OPPS pricer determines payment for service
- 1 - Based on OPPS, Coverage or Billing rules, the service is not paid
- 2 - Service is not subject to OPPS
- 3 - Service is not subject to OPPS, and has an OCE line item denial or rejection
- 4 - Line item is denied or rejected by FI; OCE not applied to line item

1. *If the claim is not processed (claim processed flag is greater than 0), the PMF is not set and is left blank.*
2. *If the line item denial or rejection flag is 1 or 2, and the PMF has been set to 2 by the process flowcharted here, the PMF is reset to 3.*
3. *If the line item action flag is 2 or 3 the PMF is reset to 4.*
4. *If the line item action flag is 4, the PMF is reset to 0.*

Integrated Edit/Disposition Table for Hospitals

Edit	Disposition	Application to hospitals
01 - Invalid diagnosis code	RTP	Apply to all hospital claims
02 - Dx/Age conflict	RTP	Apply to all hospital claims
03 - Dx/Sex conflict	RTP	Apply to all hospital claims
04 - MSP Alert (v1.0,v1.1 only)	--	Inactive (Do not apply)
05 - E-code as Reason for Visit	RTP	Apply to all hospital claims
06 - Invalid procedure code	RTP	Apply to all hospital claims
07 - Procedure/age conflict	--	Inactive (Do not apply)
08 - Procedure/sex conflict	RTP	Apply to all hospital claims
09 - Non-covered service (other than statute)	LID	Apply to all hospital claims
10 - Svc submitted for verification of denial (Condition code 21)	CD	Apply to all hospital claims
11 - Svc submitted for FI review (Condition code 20)	CS	Apply to all hospital claims
12 - Questionable covered svc	CS	Apply to all hospital claims
13 - Service not paid	--	Inactive - 1/1/06
14 - Non-OPPS site of svc	--	Inactive - 1/1/06
15 - Svc units out of range	RTP	Apply to all hospital claims
16 - Multiple bilateral procedures (edit deleted)	--	Inactive (Do not apply)
17 - Inappropriate specification of bilateral proc	RTP	Apply to all hospital claims
18 - Inpatient procedure	LID	Apply to all hospital claims
19 - Mutually exclusive procedure - modifier irrelevant	LIR	Apply to OPPS hospitals only
20 - Comprehensive/ Component proc - modifier irrelevant	LIR	Apply to OPPS hospitals only
21 - Med Visit same day as type T or S w.o modifier 25	LIR	Apply to OPPS hospitals only
22 - Invalid modifier	RTP	Apply to all hospital claims
23 - Invalid date	RTP	Apply to all hospital claims
24 - Date out of OCE range	CS	Use OPPS Date 8/1/2000. For non OPPS, use integration date (planned 7/07)
25 - Invalid age	RTP	Apply to all hospital claims
26 - Invalid sex	RTP	Apply to all hospital claims
27 - Only incidental services reported	CR	Apply to OPPS hospitals only
28 - Code not recognized by Medicare	LIR	Apply to all hospital claims
29- Partial hospitalization service for non-mental health diagnosis	RTP	Apply to OPPS hospitals only
30 - Insufficient services on day of partial hospitalization	CS	Apply to OPPS hospitals only

* CR = Claim Rejection, CD = Claim Denial, RTP = Return to Provider, CS = Claim Suspension, LIR = Line Item Rejection, LID = Line Item Denials

Integrated Edit/Disposition Table for Hospitals

31 – Partial hospitalization on same day as ECT or type T procedure (edit deleted)	CS	Inactive (Do not apply)
32 – Partial hospitalization claim spans 3 or less days with insufficient services, or ECT or significant procedure on at least one of the days	CS	Apply to OPSS hospitals only
33 – Partial hospitalization claim spans more than 3 days with insufficient number of days having mental health services	CS	Apply to OPSS hospitals only
34 - - Partial hospitalization claim spans more than 3 days with insufficient number of days meeting partial hospitalization criteria	CS	Apply to OPSS hospitals only
35 – Only activity therapy and/or occupational therapy services provided	RTP	Apply to OPSS hospitals only
36 – Extensive mental health services provided on day of ECT or significant procedure (edit deleted)	--	Inactive (do not apply)
37 - Terminated bilateral, or terminated proc w units greater than 1	RTP	Apply to OPSS hospitals only
38 - Inconsistency between implanted device and implantation procedure	RTP	Apply to OPSS hospitals only
39 - Mutually exclusive procedure; allowed if CCI modifier coded	LIR	Apply to OPSS hospitals only
40 - Comp/Comp procedure; allowed if CCI modifier coded	LIR	Apply to OPSS hospitals only
41 - Invalid revenue code	RTP	Apply to all hospital claims
42 - Multiple Med Visits same day w same RevCode, w.o CC G0	RTP	Apply to OPSS hospitals only
43 - Transfusion or blood product exchange w.o specification of blood product	RTP	Apply to OPSS hospitals only
44 - Observation revenue code w non-observation HCPCS	RTP	Apply to OPSS hospitals only
45 – Inpatient separate procedure not paid	LIR	Apply to OPSS hospitals only
46 – PH Cond Code 41 not allowed for TOB	RTP	Apply to all hospital claims
47 - Svc not separately payable	LIR	Apply to OPSS hospitals only
48 – Rev Center requires HCPCS	RTP	Apply to OPSS hospitals only
49 – Svc on same day as inpatient procedure	LID	Apply to OPSS hospitals only
50 – Non-covered based on statutory exclusions	LIR	Apply to all hospital claims
51 – Multiple observations overlap in time (Not activated)	--	Inactive (Do not apply)
52 – Observation does not meet minim hours, qualifying diagnosis, and/or ‘T’ procedure conditions (edit deleted)	--	Inactive (Do not apply)
53 – Observation G codes only allowed with bill type 13x or 85x	LIR	Apply to all hospital claims
54 – Multiple codes for the same service	RTP	Apply to all hospital claims
55 – Non-reportable for site of service	RTP	NA to hospitals
56 - E/M or ancillary procedure conditions are not met and line item date for obs code G0244 is not 12/31 or 1/1 (edit deleted)	--	Inactive (Do not apply)

* CR = Claim Rejection, CD = Claim Denial, RTP = Return to Provider, CS = Claim Suspension, LIR = Line Item Rejection, LID = Line Item Denials

Integrated Edit/Disposition Table for Hospitals

57 – E/M or ancillary procedure conditions are not met and line item date for obs code G0378 1/1	CS	Apply to OPPS hospitals only
58 – G0379 only allowed with G0378	RTP	Apply to OPPS hospitals only
59 – Clinical trials requires diagnosis code V707 as other than primary diagnosis	RTP	Apply to OPPS hospitals only
60 – Use of modifier CA with more than one procedure not allowed	RTP	Apply to OPPS hospitals only
61 – Service can only be billed to the DMERC	RTP	Apply to all hospital claims
62 – Code not recognized by OPPS; alternate code for same service may be available	RTP	Apply to OPPS hospitals only
63 – This OT code only billed on partial hospitalization claims	RTP	Apply to OPPS hospitals only
64 – AT service not payable outside the partial hospitalization program	LIR	Apply to OPPS hospitals only
65 – Revenue code not recognized by Medicare	LIR	Apply to all hospital claims
66 – Code requires manual pricing	CS	Apply to OPPS hospitals only
67 – Service provided prior to FDA approval	LIR	Apply to all hospital claims
68-Service provided prior to NCD approval	LIR	Apply to all hospital claims
69-Service provided outside approval period	LIR	Apply to all hospital claims
70 -CA modifier requires patient status code 20	RTP	Apply to OPPS hospitals only
71 - Claim lacks required device code	RTP	Apply to OPPS hospitals only
72 - Service not billable to the Fiscal Intermediary	RTP	Apply to all hospital claims with the exception of CAH Method II billing revenue codes 096X, 097X, and 098X.
73 - Incorrect billing of blood and blood products	RTP	Apply to OPPS hospitals only
74 - Units greater than one for bilateral procedure billed with modifier 50	RTP	Apply to OPPS hospitals only

OPPS/INTEGRATED OCE Control Block (see also OCE/APC specifications Table 1 and OCE/APC Software Installation Manual; Register 1 must point to this control block)

Name	Input/ Output	Length	Fullword pointer to Length bytes which contain...
DXPTR	Input	96	Up to 16, 6-character ICD-9-CM diagnosis codes, left justified, blank filled first is Admit dx, Second is Principal Dx
NDXPTR	Input	4	Binary Fullword Count value. Number of diagnosis codes provided - must be at least 2 to capture Principal Dx
SGPTR	Input	19800	Up to 450, 44-character line items (See Table 2 in OCE/APC specifications for full layout)
NSGPTR	Input	4	Binary Fullword Count value. Number of line items provided
FLAGPTR	Input	450	Up to 450, 1-character pricer flags
AGEPTR	Input	3	Age in years (0-124)
SEXPTR	Input	1	Patient Sex code (0-Unknown, 1-Male, 2-Female)
DATEPTR	Input	16	From date and Through date (YYYYMMDD format)
CCPTR	Input	14	Up to 7, 2-character condition codes
NCCPTR	Input	4	Binary Fullword Count value. Number of condition codes provided
BILLPTR	Input	3	Bill type
NPIPROVPTR	Input	13	NPI Medicare provider identification
OSCARPROVPTR	Input	6	OSCAR Medicare provider identification
PSTATPTR	Input	2	Patient status code
OPSPTR	Input	1	OPPS/Non-OPPS flag; 1=OPPS; 2=Non-OPPS
OCCPTR	Input	20	Up to 10, 2-character occurrence codes
NOCCPTR	Input	4	Binary Fullword Count value. Number of occurrence codes provided
DXEDITPTR	Output	384	Space for up to 16 contiguous blocks (each corresponding to positional input dx) of 8, 3-byte diagnosis edit codes (24 bytes per dx). Edits are right justified and zero filled. Unused allocated edit space is all on the right and filled with blanks. i.e., first 3 byte blank area signals no more edits listed for that Dx (See Table 3 in OCE/APC specifications)
PROCEDITPTR	Output	40500	Space for up to 450 contiguous blocks (each corresponding to positional input line item) of 30, 3-byte line item procedure edit codes (90 bytes per line item). Edits are right justified and zero filled. Unused allocated edit space is all on the right and filled with blanks. i.e., first 3 byte blank area signals no more edits listed for that line item procedure (See Table 3 in OCE/APC specifications)
MEDITPTR	Output	27000	Space for up to 450 contiguous blocks (each corresponding to positional input line item) of 5 modifier groupings, each grouping with contiguous blocks of 4, 3-byte modifier edit codes (12 bytes per each of the 5 modifiers per line item - 60 bytes total per line item). Edits are right justified and zero filled. Unused allocated edit space is all on the right and filled with blanks per modifier space. i.e., for each modifier edit area, the first 3 byte blank area signals no more edits listed for that line item modifier (See Table 3 in OCE/APC specifications)

OPPS/INTEGRATED OCE Control Block (see also OCE/APC specifications Table 1 and OCE/APC Software Installation Manual; Register 1 must point to this control block)

Name	Input/ Output	Length	Fullword pointer to Length bytes which contain...
DTEDITPTR	Output	5400	Space for up to 450 contiguous blocks (each corresponding to positional input line item) of 4, 3-byte line item date edit codes (12 bytes per line item). Edits are right justified and zero filled. Unused allocated edit space is all on the right and filled with blanks. i.e., first 3 byte blank area signals no more date edits listed for that line item date (See Table 3 in OCE/APC specifications)
RCEDITPTR	Output	6750	Space for up to 450 contiguous blocks (each corresponding to positional input line item) of 5, 3-byte line item revenue center edit codes (15 bytes per line item). Edits are right justified and zero filled. Unused allocated edit space is all on the right and filled with blanks. i.e., first 3 byte blank area signals no more edits listed for that line item revenue code (See Table 3 in OCE/APC specifications)
APCPTR	Output	19350	Space for up to 450 APC return buffers (each corresponding to positional input line item) of 43 bytes each (see APC return buffer layout Table 7 in OCE/APC specification for full layout).
CLAIMPTR	Output	270	Space for one claim return buffer of 270 bytes. (see Claim return buffer layout Table 5 in OCE/APC specification for full layout)
WORK AREA			
WKPTR	Input	524288	Temporary working storage for OCE
WKLENPTR	Input	4	Binary Fullword value. Size of temporary working storage for OCE. Value should be 524288.

Legacy Non-OPPS Control Block w/ Conversion Overview

Name	Input/ Output	Related Pointer from OPPS/Integrated OCE Control Block and Conversion Notes/Analysis to reproduce NOPPS functionality
DXPTR	Input	DXPTR: Must place Principal Diagnosis in 2nd position (First position to contain Admit Diagnosis); First blank position <u>after</u> position 1 signals end of processing list in OCE (blank Admit Diagnosis allowed).
NDXPTR	Input	NDXPTR: Max Dx codes is now 16; NDXPTR value must be at least 2 to process up to the Principal position;
SGPTR	Input	SGPTR: SG input buffer increases from 9 bytes to 44. 44 bytes must have HCPCS in positions 1-5; (See Table 2 in OCE/APC specifications for 44 byte structure layout)
NSGPTR	Input	NSGPTR: Max of 450 allowed.
AGEPTR	Input	AGEPTR
SEXPTR	Input	SEXPTR
DATEPTR	Input	DATEPTR: Date buffer change to add 8 additional bytes to contain the Claim Through Date. 16 total bytes comprised as follows: Claim From Date in positions 1-8; Claim Through Date in positions 9-16 (YYYYMMDD)
DXFLAGPTR	Output	DXEDITPTR: Structure change to adopt value-based approach in OPPS and eliminate bit maps. The Diagnosis based edits would now be found by reading the DxEdits buffer in the Integrated control block (see "DX and PROC Edit Output Buffers" sheet for conversion details)
SGFLAGPTR	Output	PROCEDITPTR: Structure change to adopt value-based approach in OPPS and eliminate bit maps. The Procedure based edits would now be found by reading the ProcEdits buffer in the Integrated control block (see "DX and PROC Edit Output Buffers" sheet for conversion details)
BUFFPTR	Output	CLAIMPTR: Structure change to adopt reading the CLAIMPTR in the OPPS/Integrated OCE control block for similar information. (see "Claim Level Output Buffer" sheet for conversion details)
PROVPTR	Input	OSCARPROVPTR: Can use OSCARPROVPTR in the integrated control block input
VERSPTR	Output	CLAIMPTR: Structure change to read the Version used area of the CLAIMPTR (position 260, length 8) for a Version label string instead of integer value
TABPTR1/DSCPTR(S)	Input	OPPS/Integrated OCE Control Block does not support these options. These options have been eliminated.
TABPTR(2..n)/OPTPTR(1..n)	Input	OPPS/Integrated OCE Control Block does not support these options. These options have been eliminated.

DX and PROC Edit Output Buffers						
(Legacy Non-OPPS DXFLAGPTR and SGFLAGPTR buffer conversion)						
Bit (discontinued)	Description	Dx	Dx code edits will now be found by reading the DXEDITPTR Buffer in the OPPS/Integrated OCE block for the listed value below at the appropriate code positional offset (see OPPS/Integrated OCE control block and OCE/APC specifications Table 3 for description of this buffer; first 3 byte blank area signals no more edits listed for that Dx)	Proc	Procedure code edits will now be found by reading the PROCEDITPTR Buffer in the OPPS/Integrated OCE block for the listed value below at the appropriate code positional offset (see OPPS/Integrated OCE control block and OCE/APC specifications Table 3 for description of this buffer; first 3 byte blank area signals no more edits listed for that Proc)	Note: July '07 rollout will include additional OPPS edits. The included edits may also be found in the PROCEDITPTR, MEDITPTR, DTEDITPTR, RCEDITPTR, DXEDITPTR, if applicable, at the appropriate code offset positions (see OCE/APC specifications Table 4 for edit set applied and Table 3 for applicable buffer):
0	Invalid Code	x	001	x	006	
1	Not used					
2	Age conflict	x	002		Inactive - 007	
3	Sex conflict	x	003		008	
4	MSP alert (discontinued)	x	Inactive - 004; eff. only through 12/31/00 in OPPS/Integrated OCE			
5	E-code as principal diagnosis	x	005			
6	Non-covered procedure			x	009	
7	Questionable covered procedure			x	012	

DX and PROC Edit Output Buffers						
(Legacy Non-OPPS DXFLAGPTR and SGFLAGPTR buffer conversion)						
Bit (discontinued)	Description	Dx	Dx code edits will now be found by reading the DXEDITPTR Buffer in the OPPS/Integrated OCE block for the listed value below at the appropriate code positional offset (see OPPS/Integrated OCE control block and OCE/APC specifications Table 3 for description of this buffer; first 3 byte blank area signals no more edits listed for that Dx)	Proc	Procedure code edits will now be found by reading the PROCEDITPTR Buffer in the OPPS/Integrated OCE block for the listed value below at the appropriate code positional offset (see OPPS/Integrated OCE control block and OCE/APC specifications Table 3 for description of this buffer; first 3 byte blank area signals no more edits listed for that Proc)	Note: July '07 rollout will include additional OPPS edits. The included edits may also be found in the PROCEDITPTR, MEDITPTR, DTEDITPTR, RCEDITPTR, DXEDITPTR, if applicable, at the appropriate code offset positions (see OCE/APC specifications Table 4 for edit set applied and Table 3 for applicable buffer):
8	ASC Procedure			x	Should read the APCPTR position 6, length 5 for payment group for each line item	
9	Out of Scope Procedure			x	Eliminated, no longer applicable	
10	Unlisted Procedure			x	Eliminated, no longer applicable	
11	Conflict Cataract Procedure			x	Eliminated, no longer applicable	
12	Non-reportable costs procedure			x	028, 061, or 072	
13	PRO review of proc (discontinued)			x	Eliminated, no longer applicable	
14	Not used					

DX and PROC Edit Output Buffers						
(Legacy Non-OPPS DXFLAGPTR and SGFLAGPTR buffer conversion)						
Bit (discontinued)	Description	Dx	Dx code edits will now be found by reading the DXEDITPTR Buffer in the OPPS/Integrated OCE block for the listed value below at the appropriate code positional offset (see OPPS/Integrated OCE control block and OCE/APC specifications Table 3 for description of this buffer; first 3 byte blank area signals no more edits listed for that Dx)	Proc	Procedure code edits will now be found by reading the PROCEDITPTR Buffer in the OPPS/Integrated OCE block for the listed value below at the appropriate code positional offset (see OPPS/Integrated OCE control block and OCE/APC specifications Table 3 for description of this buffer; first 3 byte blank area signals no more edits listed for that Proc)	Note: July '07 rollout will include additional OPPS edits. The included edits may also be found in the PROCEDITPTR, MEDITPTR, DTEDITPTR, RCEDITPTR, DXEDITPTR, if applicable, at the appropriate code offset positions (see OCE/APC specifications Table 4 for edit set applied and Table 3 for applicable buffer):
15	Not subject to limitation			x	Eliminated, no longer applicable	
16	Not used					
17	Not used					
18	Not used					
19	Not used					
20	Not used					
21	Not used					
22	Not used					
23	Not used					

Claim Level Output Buffer (Legacy Non-OPPS OCEBUFF buffer conversion)					
Byte (discontinued)	Description	Claim level output information will now be found by reading the CLAIMPTR Buffer in the OPPS/Integrated OCE block as follows. (see OPPS/Integrated OCE control block and OCE/APC specifications Table 5 for description of this buffer; *see note below on how to obtain counts; **positions for Edits are based on the current OPPS disposition - see summary of disposition positions below, first 3 byte blank area signals no more edits listed for that disposition)			
1	Medicare Provider number	CLAIMPTR position 18, length 6 (pass-through from input)			
7	Invalid Diagnosis or Procedure Code	Read CLAIMPTR RTP position 67, length 90 (which holds up to 30 3-byte edits) for either edit 001 or 006			
9	Not used				
11	Age conflict	Read CLAIMPTR RTP position 67, length 90 (which holds up to 30 3-byte edits) for edit 002 (Dx Age). (Proc Age is Inactive - 007)			
13	Sex conflict	Read CLAIMPTR RTP position 67, length 90 (which holds up to 30 3-byte edits) for either edit 003 (Dx Sex) or 008 (Proc Sex)			
15	MSP alert	Inactive - 004; eff. only through 12/31/00 in OPPS/Integrated OCE			
17	E-code as principal Dx	Read CLAIMPTR RTP position 67, length 90 (which holds up to 30 3-byte edits) for edit 005			
19	Non-covered procedure	Read CLAIMPTR LID position 241, length 18 (which holds up to 6 3-byte edits) for edit 009			
21	Questionable covered procedure	Read CLAIMPTR position 157, length 48 (which holds up to 16 3-byte edits) for edit 012			
23	Unlisted procedure	Eliminated, No Longer Applicable			
25	ASC procedure	This is a line-level payment group assignment concept and should read the APCPTR position 6, length 5 for each corresponding line item			
27	Out of scope procedure	Eliminated, No Longer Applicable			
29	Procedure not subject to limitation	Eliminated, No Longer Applicable			
31	Date out of Range	Read CLAIMPTR CS position 157, length 48 (which holds up to 16 3-byte edits) for edit 024			
33	Conflict Cataract Procedure	Eliminated, No Longer Applicable			

Claim Level Output Buffer (Legacy Non-OPPS OCEBUFF buffer conversion)					
Byte (discontinued)	Description	Claim level output information will now be found by reading the CLAIMPTR Buffer in the OPPS/Integrated OCE block as follows. (see OPPS/Integrated OCE control block and OCE/APC specifications Table 5 for description of this buffer; *see note below on how to obtain counts; **positions for Edits are based on the current OPPS disposition - see summary of disposition positions below, first 3 byte blank area signals no more edits listed for that disposition)			
35	Non-reportable codes	Read CLAIMPTR RTP position 67, length 90 (which holds up to 30 3-byte edits) for edit 061 or 072; Also read CLAIMPTR LIR position 205, length 36 (which holds up to 12 3-byte edits) for edit 028			
37	Not used				
39	Not used				
41	Invalid age	Read CLAIMPTR RTP position 67, length 90 (which holds up to 30 3-byte edits) for edit 025			
43	Invalid sex	Read CLAIMPTR RTP position 67, length 90 (which holds up to 30 3-byte edits) for edit 026			
45	Invalid date	Read CLAIMPTR RTP position 67, length 90 (which holds up to 30 3-byte edits) for edit 023 (includes both claim level and line level invalid date).			
47	OCE edit flag	Read CLAIMPTR position 24, length 1. Legacy Non-OPPS values 0, 1, 2, 3 map to new OPPS values 0, 4, 3, 5. OPPS value 1 applies to LIR or LID when they are the only edits present on the claim. OPPS value 2 applies when all line items on a single day of a multi-day claim are denied or rejected.			
48	OCE bill flag	Eliminated, No Longer Applicable			
		Notes:			
		*Counts for code based edits can be obtained by accumulating the information in the DX and PROC Edit buffers for the corresponding value across all DXs or PROCs on the claim			
		**Disposition value edit buffer positions in CLAIMPTR:	Position	Length	Holds Max number of 3 byte Edits

Claim Level Output Buffer (Legacy Non-OPPS OCEBUFF buffer conversion)					
Byte (discontinued)	Description	Claim level output information will now be found by reading the CLAIMPTR Buffer in the OPPS/Integrated OCE block as follows. (see OPPS/Integrated OCE control block and OCE/APC specifications Table 5 for description of this buffer; *see note below on how to obtain counts; **positions for Edits are based on the current OPPS disposition - see summary of disposition positions below, first 3 byte blank area signals no more edits listed for that disposition)			
		CR (Claim Rejection)	31	12	4
		CS (Claim Suspend)	157	48	16
		CD (Claim Deny)	43	24	8
		RTP (Claim Return to Provider)	67	90	30
		LIR (Line Item Rejection)	205	36	12
		LID (Line Item Denial)	241	18	6
		***The July '07 rollout will include additional OPPS edits, with various dispositions from the disposition values listed above. All the edits included can also be found in the CLAIMPTR buffer according to their disposition (see OCE/APC specifications Table 4 for edit set applied / dispositions and also OCE/APC specifications Table 5):			

Medicare Claims Processing Manual

Chapter 4 - Part B Hospital (Including Inpatient Hospital Part B and OPPS)

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40 - Outpatient Code Editor (OCE)

(Rev.1107, Issued: 11-09-06, Effective: 07-01-07, Implementation: 07-02-07)

The CMS incorporates new processing requirements in the Outpatient Code Editor (OCE) by releasing a new or updated version of the software *each quarter*. *The OCE instructions and specifications are utilized under:*

- *The OPPS for hospital outpatient departments, Community Mental Health Centers (CMHC's) and for limited services provided in a Home Health Agency (HHA) not under the Home Health Prospective Payment System or to a hospice patient for the treatment of a non-terminal illness;*
- *The non-OPPS for Indian Health Service Hospitals, Critical Access hospitals (CAHs), Maryland hospitals, hospitals located in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands. In addition claims from Virgin Island hospitals with dates of service 1/1/02 and later, and hospitals that furnish only inpatient Part B services with dates of service 1/1/02 and later are edited in the non-OPPS OCE; and*
- *All other outpatient institutional claims.*

40.1 – Integrated OCE (July 2007 and Later)

(Rev.1107, Issued: 11-09-06, Effective: 07-01-07, Implementation: 07-02-07)

Effective for claims with dates of service July 1, 2007 and after, the non-Outpatient Prospective Payment System (OPPS) Outpatient Code Editor (OCE) will be integrated into the OPPS OCE. This integration will result in the routing of all institutional outpatient claims, including non-OPPS hospital claims, through a single integrated OCE eliminating the need to update two separate OCE software packages on a quarterly basis. The integrated OCE does not change the current logic that is applied to outpatient bill types that already pass through the OPPS OCE software. It merely expands the software usage to include non-OPPS hospitals. This new software product will be referred to as the Integrated OCE.

40.2 - Outpatient Prospective Payment System (OPPS) OCE (Prior to July 1, 2007)

(Rev.1107, Issued: 11-09-06, Effective: 07-01-07, Implementation: 07-02-07)

The OPPS OCE performs the following two major functions:

- Edit claims data to identify errors and return a series of edit flags; and

- Assign an ambulatory payment classification (APC) number for each service covered under OPSS and return information to be used as input to the Pricer program.

Effective January 5, 2003, Medicare contractors will be receiving subsequent quarterly updates to these Outpatient Code Editor Specifications through a Recurring Update Notification.

40.2.1 - Patient Status Code and Reason for Patient Visit for the Hospital OPSS

(Rev.1107, Issued: 11-09-06, Effective: 07-01-07, Implementation: 07-02-07)

In order to ensure that OPSS claims are being submitted and processed to payment in accordance with OPSS payment policy, CMS must be able to monitor information reported by hospitals on *the claim including Patient Status and Reason for Patient Visit*. This instruction requires the Shared System Maintainer to make changes to ensure that the information from claims submitted on bill type 13x, is passed to the OPSS Outpatient Code Editor (OCE) and to the Common Working File (CWF). This instruction also requires the Common Working File Maintainer to make changes to ensure that the information *regarding Reason for Patient Visit* is passed to the National Claims History (NCH) file.

40.3 – Non-OPSS OCE (Rejected Items and Processing Requirements Prior to 7/1/07)

(Rev.1107, Issued: 11-09-06, Effective: 07-01-07, Implementation: 07-02-07)

The following error types will be rejected or returned to the provider for development. (Numbers correspond to the Non –OPSS OCE documentation.)

1. Invalid Diagnosis or Procedure Code

The OCE checks each diagnosis code against a table of valid ICD-9-CM diagnosis codes and each procedure code against a table of valid HCPCS codes. If the reported code is not in these tables, the code is considered invalid.

For a list of all valid ICD-9-CM codes see “International Classification of Diseases, 9th Revision, Clinical Modification (ICD-9-CM), Volume I (Diseases),” The CMS approved ICD-9-CM addenda, and new codes are furnished by the FI for each hospital. For a list of valid HCPCS codes see “Physicians’ Healthcare Current Procedural Terminology, 4th Edition, CPT” and “CMS Healthcare Common Procedure Coding System (HCPCS).” Providers should review the medical record and/or fact sheet and enter the correct diagnosis and procedure codes before returning the bill.

2. Invalid Fourth or Fifth Digit for Diagnosis Codes

The OCE identifies any diagnosis code that requires a fourth or fifth digit that is either missing or not valid for the code in question.

For a list of all valid fourth and fifth digit ICD-9-CM codes see “International Classification of Diseases, 9th Revision, Clinical Modification (ICD-9-CM), Volume I (Diseases),” CMS approved ICD-9-CM addenda, and new codes furnished by the FI. Providers should review the medical record and/or fact sheet and enter the correct diagnosis before returning the bill.

3. E-Code as Principal Diagnosis

E codes describe the circumstances that caused an injury, not the nature of the injury, and therefore, are not used as a principal diagnosis. E-codes are all ICD-9-CM diagnosis codes that begin with the letter E. For a list of all E-codes, see “International Classification of Disease, 9th Revision, Clinical Modification (ICD-9-CM), Volume I (Diseases).” Providers should review the medical record and/or fact sheet and enter the correct diagnosis before returning the bill.

4. Age Conflict

The OCE detects inconsistencies between a patient’s age and any diagnosis on the patient’s record.

5. Sex Conflict

The OCE detects inconsistencies between a patient’s sex and a diagnosis or procedure on the patient’s bill.

6. Questionable Covered Procedures

These are procedures that may be covered, depending upon the medical circumstances. For example, HCPCS code 19360 “Breast reconstruction with muscle or myocutaneous flap” is a condition that is not covered when performed for cosmetic purposes. However, if this procedure is performed as a follow-up to a radical mastectomy, it is covered.

7. Noncovered Procedures

These are procedures that are not payable. The FI denies the bill.

8. Medicare as Secondary Payer - MSP Alert (*versions VI.0 and VI.1 only*)

Diagnoses codes that identify situations that may involve automobile medical, no-fault or liability insurance. The provider must determine the availability of other insurance coverage before billing Medicare.

9. Invalid Age

If the age reported is not between 0 years and 124 years, the OCE assumes the age is in error.

If the beneficiary’s age is established at over 124, enter with 123.

10. Invalid Sex

The sex code reported must be either 1 (male) or 2 (female). Usually, the FI can resolve the issue.

11. Date Range

This edit is used in internal FI operations.

12. Valid Date

The OCE checks the month, day, and year from FL 6 (from date). If the date is impossible, the FI returns the bill.

13. Unlisted Procedures

These are codes for surgical procedures (i.e., codes generally ending in 99).