

Claims Edit System — NCD/LCD



The Claims Edit System from Optum™ maximizes your claim accuracy, administration and clinical information workflows by delivering Medicare editing. Optum experts maintain Medicare claim editing rules issued by the Centers for Medicare & Medicaid Services (CMS) and individual Medicare Administrative Contractors (MACs).

Medicare coverage

Medicare provides coverage for items and services for more than 43 million beneficiaries. The vast majority of coverage is provided on a local level as Local Coverage Determinations (LCDs), which are established by the MACs managing the Medicare program in a specific region. However, in certain cases, Medicare deems it appropriate to develop a National Coverage Determination (NCD) for an item or service to be applied on a national basis for all Medicare beneficiaries meeting the criteria for coverage.

National Coverage Determinations (NCD)

An NCD indicates whether specific medical items, services, treatment procedures or technologies can be paid for under Medicare. Decisions that an item or service is not covered are generally based on “not reasonable and necessary,” or other statutory authority (Federal Register, national CMS guidelines, etc.). Where an item or service is stated to be covered, additional indications or specified circumstances may be applicable. When coverage for an item or service can be further defined or where an item or service is not included in an NCD, the MAC has the discretion to create an LCD or related Policy Article (PA).

Maximize your claim editing rules for Medicare claims

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Local Coverage Determinations (LCD)

Each MAC is responsible for publishing LCDs for a specified geographic area. These LCDs must be consistent with national policies and must be developed according to scientific evidence and clinical practice. LCDs cannot contradict national policies, although they can be more detailed and specific. A MAC has the discretion to create an LCD when an item or service is not mentioned in an NCD. Each MAC's Medical Director develops these policies adhering to federal guidelines. If a MAC develops an LCD, it applies only within the area it services. MACs develop LCDs to establish clinical circumstances under which a procedure or service is appropriate.

Articles

Articles are documents that include instructions used to further define Medicare policies, NCDs, LCDs, CMS rulings and coverage provisions in interpretive Medicare manuals. Articles may be attached to an LCD or listed in the Medicare Coverage Database as a stand-alone article.

Optum national and local Medicare coverage data

Optum LCD and NCD data provides the ability to edit against Medicare Part A and Part B, Durable Medical Equipment (DME), and Home Health and Hospice policies. Edits are developed by utilizing LCDs, NCDs and articles to provide edits based on clinical circumstances under which a procedure or service is appropriate. Keeping up with rapid regulatory changes and updates to these policies can be challenging and labor intensive.

These data files are supported by a team of Medicare experts who download data from CMS and contractor websites, review each policy in detail, and create edits to be included in the data files. By leveraging data that is reviewed by certified coders and Medicare experts, organizations can feel confident they are accessing the most accurate information available. LCDs and NCDs can be purchased by a specific region. Supporting documentation is delivered with each policy. When a rule fires on a claim, you can drill down to the policy details supporting the edit.

All policies are updated one to three weeks from the time the MACs publish their policies. Optum delivers these data files every two weeks to ensure regulatory compliance and accurate claim editing. All edits are based on policies published on the CMS Medicare Coverage Database (MCD) webpage. Examples include:

- Local Coverage Documents (LCDs and articles)
- Stand-alone articles
- National Coverage Documents (NCDs)
- Transmittals (related to NCDs)

In addition to the standard NCD file, Optum has an interpreted NCD file available. Interpreted NCDs include additional coding based on definitive policy language in a NCD. The Centers for Medicare and Medicaid Services (CMS) publishes 300+ National Coverage Determinations (NCDs) to be administered throughout all of the CMS defined jurisdictions in claims processing. Many of the NCDs do not include specific codes. Optum understands the weight these national policies carry for Medicare claims and have individually analyzed each NCD for additional coding/editing opportunities aside from those already specifically identified in the policy (i.e., CPT codes, etc.). Each NCD was extensively reviewed and ultimately approved by a work group, two managers and a medical director.

***This is Optum's interpretation of the coverage requirements outlined in the policy. Clients may disagree and Optum welcomes these discrepancies be brought to attention but cannot guarantee that such notifications will result in a data change.

Benefits of automated LCDs and NCDs

- Regulatory compliance
- Increased accuracy of LCD/NCD editing
- Ability to access data updates every two weeks, if applicable
- Avoid inaccurate billing behaviors
- Reduction of human errors
- Increased availability of staff to accompany planned growth
- Stand-alone articles with edits for each MAC
- Easily identify diagnoses that either support or do not support the medical necessity of a procedure
- Identify LCD edits that indicate age, sex, modifier, place of service, type of bill, revenue code and frequency requirements
- Customize the edits to support the lines of business within the organization
- The ability to download data for multiple states, which is critical for organizations with multiple MACs
- Link directly to source policies using policy URLs included in the files



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