

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 10654	Date: March 12, 2021
	Change Request 11895

Transmittal 10216, dated July 10, 2020, is being rescinded and replaced by Transmittal 10654, dated, March 12, 2021, to remove the sensitive/controversial language, add language for new COVID-19 ICD-10 Diagnosis and Procedure Codes effective 01/01/2021 with MCE-MS-DRG version V38.1 and add requirement 11895.5. All other information remains the same.

SUBJECT: Fiscal Year (FY) 2021 Annual Update to the Medicare Code Editor (MCE) and International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) and Procedure Coding System (ICD-10-PCS)

I. SUMMARY OF CHANGES: Changes to ICD-10-CM and ICD-10-PCS codes are included in the Medicare Code Editor and are used to revise edits for A/B MACs to make appropriate payments. This Recurring Update Notification applies to Chapter 23, Section 10.

EFFECTIVE DATE: October 1, 2020 - For diagnosis and procedure codes changes included in V38.0 of the MS-DRG Grouper and MCE.; January 1, 2021 - For COVID-19 related diagnosis and procedure codes included in V38.1 of the MS-DRG Grouper and MCE.

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

IMPLEMENTATION DATE: October 5, 2020

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
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted 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.

IV. ATTACHMENTS:

Recurring Update Notification

Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 10654	Date: March 12, 2021	Change Request: 11895
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I. GENERAL INFORMATION

A. Background: The ICD-10-CM and ICD-10-PCS codes are updated as stated in Pub. 100-04, Chapter 23, section 10. The ICD-10-CM and ICD-10-PCS files used to process Part A claims are included in the MCE file usually available approximately six weeks prior to the beginning of the fiscal year. However, the instruction for the Fiscal Intermediary Shared System (FISS) to install the MCE is included in the FY Inpatient Prospective Payment System (IPPS) and Long Term Care Hospital (LTCH) PPS Changes Change Request which is issued after the MCE file. This causes a delay in the ICD-10 file being installed timely to allow the Medicare Administrative Contractors (MACs) to complete their edit updates.

The updated diagnosis and procedure codes are effective for dates of discharge on and after October 1, 2020.

Update: In response to the COVID-19 pandemic, the Centers for Medicare & Medicaid Services (CMS) is implementing new procedure codes to describe the introduction or infusion of therapeutics, including monoclonal antibodies, into the International Classification of Diseases, Tenth Revision, Procedure Coding System (ICD-10-PCS), effective January 01, 2021, and new diagnosis codes into the International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM), effective January 1, 2021.

- The ICD-10 MS-DRG Grouper assigns each case into an MS-DRG based on the reported diagnosis and procedure codes and demographic information (age, sex, and discharge status).
- The ICD-10 Medicare Code Editor (MCE) Version 38.1 software uses edits to detect and report errors in the claims data for the ICD-10 codes reported to validate correct coding on claims for discharges on or after January 1, 2021.
- The ICD-10 MS-DRG Grouper software package to accommodate these new codes, Version 38.1, is effective for discharges on or after January 1, 2021.

The ICD-10 MS-DRG V38.1 Grouper Software, Definitions Manual Table of Contents and the Definitions of Medicare Code Edits V38.1 manual will be available at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/MS-DRG-Classifications-and-Software>

The Code Tables, Index and related Addenda files for the new procedure codes are available at: <https://www.cms.gov/medicare/icd-10/2021-icd-10-pcs>

The Index and Tabular Addenda for the new diagnosis codes will be made available via the CDC website at: <https://www.cdc.gov/nchs/icd/icd10cm.htm>

Announcement of the new diagnosis and procedure codes effective with version 38.1 is available at: <https://www.cms.gov/files/zip/icd-10-ms-drgs-v381-effective-january-1-2021.zip>

B. Policy: There is no policy change. Current policy is available in the Claims Processing Manual Publication (Pub.) 100-04, Chapter 3, Section 20.2.1 - Medicare Code Editor (MCE) and 20.2.2 - DRG GROUPER Program.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
11895.1	The Medicare contractor shall maintain the capability to install the ICD-10 files separately from the MCE in the event that the FY IPPS and LTCH PPS Changes Change Request and or Pricers are delayed.					X				
11895.2	The Medicare contractor shall overlay ICD-10 data received via stand-alone files with the ICD-10 code data received within the MCE, once received.					X				
11895.3	The Medicare contractor shall be aware that the Centers for Medicare & Medicaid Services (CMS) announces the availability of the annual ICD-10 diagnosis and procedure file replacement via email approximately six weeks prior to the beginning of the fiscal year.					X				
11895.4	The Medicare contractors shall evaluate all local edits that contain ICD-10-CM and ICD-10-PCS codes, update and test as needed.	X				X				
11895.5	The Medicare contractors shall install and edit claims with the MS-DRG Grouper and MCE version 38.1 software with the implementation of the January 2021 quarterly release for dates of discharge on and after January 1, 2021.					X				

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility
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		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Yvette Rivas, yvette.rivas@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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