News

20-1026 Check Diagnosis Codes to Avoid Claim Denials

Date: 12/21/20

This information applies to Physicians, Participating Physician Groups (PPGs), Hospitals, and Ancillary providers.

For Medi-Cal, this information applies to Kern, Los Angeles, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, Stanislaus, and Tulare counties.

Use NCCI standards to reduce improper coding

Beginning March 1, 2021, Health Net will begin reviewing for the correct coding edits listed in this communication to align with NCCI and ICD-10 coding requirements. Refer to the added details about the codes and edits to apply to claims that are billed incorrectly below.

The Centers for Medicare & Medicaid Services (CMS) National Correct Coding Initiative (NCCI) promotes correct coding methodologies to reduce improper coding. Participating providers are required to adhere to NCCI standards to prevent denial of claims.

Please note, the coding requirements included in this update are not new; refer to the ICD-10 Manual for the code sources.

To avoid denials based on incorrect coding, be sure to assign applicable diagnosis codes. If you receive a denial determination on the remittance advice (RA) for incorrect coding, refer to the ICD-10 Manual and the table below for more details before resubmitting the claim.

How to fix a denied claim or submit an appeal

Providers may submit the corrected claim or submit an appeal or reconsideration request as outlined in the provider operations manuals. You can access the provider operations manuals in the Provider Library (http://providerlibrary.healthnetcalifornia.com) after you log on to the Health Net provider portal.

These coding edits will be noted with one of the following denial codes on the remittance advice:

- EXwd: diagnosis code incorrectly coded per ICD-10 Manual.
- Denial code 255.

REASON DESCRIPTION	EDIT DETAILS	DENIAL DESCRIPTION
Chemotherapy only diagnosis	The malignancy for which the therapy is administered should be assigned as the secondary diagnosis.	Claim line missing requires secondary diagnosis.

Secondary diagnosis	Diagnosis code designated as secondary should be billed in the second position. Applies to both professional and facility claims.	Claim line billed with a secondary diagnosis in the first position.
External causes diagnosis	The external causes of morbidity codes must not be sequenced as the first-listed or principal diagnosis. Applies to both professional and facility claims.	Claim line billed with incorrect diagnosis code in first position.
Sequela codes	Coding of a Sequela requires reporting of the condition or nature of the Sequela sequenced first, followed by the Sequela code. Applies to both professional and facility claims.	Sequela diagnosis code billed incorrectly on claim line.
Manifestation codes	If any procedure or service is billed as the Primary, First-Listed, Principal or Only Diagnosis and it is a manifestation code, the procedure code is denied because a manifestation code is a diagnosis of some other underlying disease, not the cause of the disease itself.	Manifestation diagnosis code billed incorrectly on claim line.
Chemotherapy administration diagnosis policy	When a chemotherapy CPT code is present on a professional or facility claim, Z51.11 (Encounter for antineoplastic chemotherapy) or Z51.12 (Encounter for antineoplastic immunotherapy) must be the Primary, First-Listed or Principal diagnosis, unless the chemotherapy or immunotherapy is being administered for a non-neoplastic condition or the Primary, First-Listed or Principal diagnosis code is Z51.0 (Encounter for antineoplastic radiation therapy). Applies to both professional and facility claims.	Claim line missing required primary diagnosis for chemotherapy administration procedure code.

Invalid diagnosis	The procedure reported with the invalid ICD-10 diagnosis code will have an edit applied for incorrect coding and the procedure code will be denied. Incomplete: diagnosis code reported is not coded to the highest level of specificity based on date of service (DOS). Not Active: diagnosis code reported for DOS before its effective date or after the termination date. Non-Existent: diagnosis code reported that has never been a valid ICD-10 diagnosis code. This edit only applies to ICD-10 diagnosis codes (DOS October 1, 2015, and later). The Health Insurance Portability and Accountability Act (HIPPA) - Transaction and Code Set Rule requires the provider to use the medical code set that is valid at the time the service is provided.	Diagnosis code on claim line is invalid for date of service, incomplete or non-existent.
E/M with preventive and Z diagnosis code policy	The ICD-10 "Z" codes (Factors Influencing Health Status and Contact with Health Services) allow for the description of encounters for routine examinations (e.g., general check-up, examination for administrative purposes, pre-employment physical). Do not use these codes if the examination for diagnosis of a suspected condition or for treatment purposes; in such cases, the specific diagnosis code (from other chapters) is used. During a routine exam, should a diagnosis or condition be discovered, it should be reported as an additional code.	Preventive service missing diagnosis codes because billed on same day as E/M service.

Additional information

If you have questions, regarding the information contained in this update, contact the Health Net Provider Services Center by email (mailto:provider_services@healthnet.com) within 60 days, by telephone or through the Health Net provider website as listed below.

LINE OF BUSINESS	TELEPHONE NUMBER	PROVIDER PORTAL	EMAIL ADDRESS
EnhancedCare PPO (IFP)	1-844-463-8188	provider.healthnetcalifornia.com (http://provider.healthnetcalifornia.com/)	provider_services@healthnet.com (mailto:provider_services@healthnet.com)

EnhancedCare PPO (SBG)	1-844-463-8188	provider.healthnet.com (http://provider.healthnet.com/)	provider_services@healthnet.com (mailto:provider_services@healthnet.com)
Health Net Employer Group HMO, POS, HSP, PPO, & EPO	1-800-641-7761	provider.healthnet.com (http://provider.healthnet.com/)	provider_services@healthnet.com (mailto:provider_services@healthnet.com)
IFP (CommunityCare HMO, PPO, PureCare HSP, PureCare One EPO)	1-888-926-2164	provider.healthnetcalifornia.com (http://provider.healthnetcalifornia.com/)	provider_services@healthnet.com (mailto:provider_services@healthnet.com)
Medicare (individual)	1-800-929-9224	provider.healthnetcalifornia.com (http://provider.healthnetcalifornia.com/)	provider_services@healthnet.com (mailto:provider_services@healthnet.com)
Medicare (employer group)	1-800-929-9224	provider.healthnet.com (http://provider.healthnet.com/)	provider_services@healthnet.com (mailto:provider_services@healthnet.com)
Medi-Cal	1-800-675-6110	provider.healthnet.com (http://provider.healthnet.com/)	N/A

Last Updated: 12/18/2020