

OVERREACHING EDITS DEACTIVATED FOR CAH METHOD II CLAIMS

After informal communications with the Centers for Medicare & Medicaid Services ("CMS") Central Office, it appears that edits that impact Critical Access Hospital ("CAH") Method II claims have been overreaching. Specifically, reason codes 17713, 17714, 17716 and 17717 should not be applying to the facility charges on CAH Method II claims. These reason codes should only apply to the physician charges of CAH Method II claims.

Since January 6, 2014, CAH Method II claims submitted to Medicare must contain a physician or non-physician practitioner, in the attending and/or rendering fields, who has a valid National Provider Identifier and is enrolled in Medicare in an *approved status*. Reason codes 17713, 17714, 17716 and 17717 were implemented to reject CAH Method II claims if the attending/rendering provider was not actively enrolled in Medicare. However, these reason codes were only intended to apply to the professional charges.

A physician may have temporary periods of deactivation from Medicare for failure to revalidate or comply with other program rules. A CAH is not always privy to the Medicare enrollment profiles of its rendering/attending physicians. If a CAH bills Method II to include the professional charges of a rendering/attending physician who is not in an approved Medicare status, the entire Method II claim has been rejecting due to these reason codes. However, after discussing this issue with multiple contacts at CMS over several months, CMS agreed that the CAH should be paid for their *facility charges* even when the rendering/attending physician is not in an approved status.

Staff at CMS Central Office informally stated that a technical direction letter has been sent to the MACs to deactivate reason codes 17713, 17714, 17716 and 17717 from their application to the facility charges of a CAH claim. If you have questions or would like additional information about this topic, please contact:

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