

COTS Software

Section 1903(r) of the Act, as amended by the Affordable Care Act, requires State Medicaid programs to implement NCCI methodologies, which consist of sets of edits that apply to specific types of services. There are specific rules for adjudicating claims and appeals and patient protections preventing providers/suppliers from billing patients for reimbursement of a claim denied due to Medicaid NCCI/MUE edits. If State Medicaid programs contract with vendors who supply edit files and/or claims adjudication software, the State programs must ensure that the vendors' products:

- contain all Medicaid NCCI methodology edits for the appropriate type of service;
- adjudicate claims in the same fashion as required for Medicaid NCCI methodologies;
- adjudicate appeals of denied reimbursement of claims due to Medicaid NCCI methodology edits in the same fashion as required by the NCCI methodology described in this letter and its attachments; and
- do not permit providers or suppliers to bill patients for reimbursement of claims denied due to the NCCI methodology edits.

If a State Medicaid program utilizing a vendor to supply the NCCI methodology edit files allows the vendor to additionally incorporate edits not included in the Medicaid NCCI methodology files, the State program shall ensure that claim denials due to the edits not included in Medicaid NCCI methodologies are not characterized as Medicaid NCCI methodology edits to individuals or entities such as:

- providers,
- suppliers,
- beneficiaries,
- medical review staff,
- program safeguard contractors,
- recovery audit contractors, or
- the Department of Justice.