

# Program Memorandum Carriers

Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
Medicaid Services (CMS)

Transmittal B-03-064

Date: AUGUST 22, 2003

## CHANGE REQUEST 2857

**SUBJECT: CLARIFICATION—ICD-9 Coding**

### I. GENERAL INFORMATION

#### A. Background:

In order to meet the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act (HIPAA), Medicare is requiring the submission of a current and valid ICD-9 code on claims. The CMS has issued two instructions regarding the submission of ICD-9 codes through Program Memorandums (PMs) B-03-028 and B-03-045.

#### B. Policy:

Medicare beneficiaries are not covered entities under HIPAA. Therefore, Medicare is not requiring beneficiaries to submit ICD-9 codes on beneficiary-submitted claims. Beneficiary-submitted claims are filed on form CMS-1490S. Although business requirement 1.4 in PM B-03-045 states that carriers must not enter a diagnosis code on any claim type, this requirement is only meant to refer to systems generated ICD-9 codes. For beneficiary-submitted claims, the carrier must develop the claim to determine a current and valid ICD-9 code and may enter the code on the claim.

Medicare contractors must not systematically generate ICD-9 codes for claims they process.

### II. BUSINESS REQUIREMENTS

Requirement #	Requirements	Responsibility
xxxx.1	Carriers, durable medical equipment regional carriers (DMERCs) and standard systems maintainers (SSMs) must not require beneficiaries to submit an ICD-9 code on beneficiary-submitted claims on the CMS-1490S.	Carrier/DMERC /SSMs
xxxx.1.1	If a beneficiary-submitted claim is filed without a current and valid ICD-9 code, then carriers and DMERCs must determine the appropriate ICD-9 code in accordance with Medicare Carriers Manual (MCM) §3005. Carriers and DMERCs may use the narrative description, if there is one, to determine the appropriate code, and may use the highest level of unspecified code if necessary.	Carrier/DMERC
xxxx.2	Carriers and DMERCs must not systematically generate ICD-9 codes for claims they process.	Carrier/DMERC /SSMs

### III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

#### A. Other Instructions:

X-Ref Requirement #	Instructions
N/A	

**B. Design Considerations:** N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

**C. Interfaces:** N/A**D. Contractor Financial Reporting /Workload Impact:** N/A**E. Dependencies:** N/A**F. Testing Considerations:** N/A**IV. ATTACHMENT(S)**

Version: 7/15/03 Implementation Date: October 1, 2003 Discard Date: October 1, 2004 Post-Implementation Contact: appropriate regional office	Effective Date: October 1, 2003 Funding: <b>no additional funding</b> Pre-Implementation Contact: appropriate regional office
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