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MACs Move Codes From LCDs to Local Coverage Articles; TPEs May Be Based on the Latter

By Nina Youngstrom

Hospitals should get used to stripped-down versions of local coverage determinations (LCDs) from Medicare administrative contractors (MACs), because they won't include CPT and ICD-10 codes anymore. At CMS's direction, MACs must move the codes to local coverage articles, and ultimately, they won't be in the same place as clinical coverage criteria. MACs also are required to give the industry a head's up about LCD changes and consider its input. The transition, announced in January 2019 without a deadline, has moved slowly and caused some confusion, as some MACs continue to update LCDs with diagnosis codes.

A CMS spokesperson tells *RMC* that "CMS has instructed the Medicare administrative contractors to have their codes moved to articles by January 2020."

With LCDs and local coverage articles in flux, it has been challenging for hospitals to ensure services are medically necessary, says Vera Phillips, compliance specialist at Olympic Medical Center in Port Angeles, Washington. The shift also seems to coincide with the targets of the MAC's Targeted Probe and Educate (TPE) reviews, she says. "I see a pattern. It worries me."

Moving from the LCDs to local coverage articles means they can be reissued and updated without formal notice and comment, says Steve Gillis, director of compliance coding, billing and audit at Partners HealthCare in Boston. MACs can add or delete codes beyond the usual coding updates without input from hospitals.

The LCD bifurcation stems from a provision in the 21st Century Cures Act of 2016 that required transparency in LCD development, says Valerie Rock, a principal at PYA. CMS later elaborated in Medicare Transmittal 854,^[1] which requires the migration of codes to local coverage articles. "MACs shall remove all codes from LCDs and place them in billing & coding articles that are linked to the LCD," according to the transmittal (Change Request 10901), which was published in January 2019. "For all new and revised LCDs, MACs shall no longer include national policy language found in statute, regulations, rulings, interpretive manual instructions, etc. in the coverage and indications section of their LCDs."

Rock thinks it seems like an improvement because hospitals won't have to sort through clinical policy language to find the codes that are covered for a service that has been ordered for the patient. "Coding and billing policies are not clinical issues, and they wanted to move that to a separate document," she explains.

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