

MSBS Fact Sheet: Assignment of Diagnosis Codes on Medicaid School-Based Services Program (MSBS) Claims

Concerns have been voiced about the requirement that Medicaid School-Based Services Program (MSBS) claims submitted to the NM Human Services Department (NM HSD) must have a diagnosis code assigned to each claim submitted for payment. One of those concerns is that the therapist performing the service for the child may not be able to diagnose a child with a disability under the therapist's professional scope of practice. This belief represents a misconception of the definition and purpose for use of the HIPAA required coding systems. The billing codes required for use in the MSBS specifically are the ICD-10-CM codes, which are disease classification codes (not diagnosis codes), and the CPT-4 codes, which are billing procedure payment codes.

The use of the International Classification of Diseases (ICD-10-CM) coding system in electronically submitted health care claims is mandated by the federal Healthcare Insurance Portability and Accountability Act (HIPAA). As such, all claims submitted to the NM Medicaid Program for reimbursement (including MSBS claims) must contain a valid ICD-10-CM code that corresponds to the reason the child is receiving services; and a CPT-4 code that identifies the approved procedure and related payment rate.

Assigning a disease classification code to a claim should not be considered as even remotely related to the process of making a medical diagnosis. The purpose for requiring such information is to connect the service being performed (for example, speech therapy) with the reason that it is being performed (for example, Mixed Receptive-Expressive Language Disorder, as noted by code F80.2). NM HSD utilizes the ICD-10-CM codes information in aggregate for a variety of analytical purposes, not as a payment indicator. State or federal Medicaid auditors also may use such information on a sample of claims to verify that Medicaid payment was proper. In summary, the disease classification code assigned to a claim is not intended to be used to designate or diagnose the child's underlying medical condition.

A suggestion has been made that the ICD-10-CM coding assigned to the MSBS claim could be the educational reason for the child receiving IEP-related health services. This approach is not appropriate because: 1) the intent of this coding is for healthcare data tracking and analysis purposes; 2) medical coding utilizing the required coding systems, and their related usage rules, are a HIPAA requirement for medical insurance billing; and 3) ICD-10-CM coding is not intended to be based on the educational disability, but rather, the medical necessity and reason for the service. An example may be helpful to illustrate the difference. A child may be classified in a special education program as autistic, and appropriately reported to the Public Education Department in the number of students in special education. That same child with autism happens to be receiving social work services for relationship problems. As such, the therapist treating that child for a relationship problem should utilize the disease classification code of F93.8 (Other Childhood Emotional Disorders) for this claim, rather than the autism classification code of F84.0. In short, skilled health professionals (such as occupational therapists, physical therapists, speech-language pathologists, nurses, etc.) should assign the disease classification code to their claims based on which codes most appropriately pertain to the specific reason for which the service was delivered by the licensed provider.

It should also be noted that it is possible for the ICD-10-CM code used for services provided to a child may change depending on what the therapist is working on in any given session e.g. a student has both articulation and receptive-expressive language needs. For this reason, listing ICD-10-CM codes on the IEP or PCP Notification Form is discouraged.