

Coding Updates

Coding Update: March 16, 2020

The Centers for Medicare and Medicaid Services (CMS) took action to create two new HCPCS codes in response to the current World Health Organization (WHO) public health emergency of international concern for the COVID-19 Coronavirus which was declared on January 30, 2020 and subsequent actions from both the Center for Disease Control (CDC) and the US Food and Drug Administration (FDA).

Effective February 4, 2020 the codes below can be utilized by health care providers to report laboratory services related to COVID-19 Coronavirus diagnostic testing. Medicare claims processing systems will be able to accept these new HCPCS codes April 1, 2020 retroactively back to its effective date.

- ✓ **U0001**, *CDC 2019 novel coronavirus (2019-ncov) real-time rt-pcr diagnostic panel*, for use with CDC developed testing
- ✓ **U0002**, *2019-nCoV Coronavirus, SARS-CoV-2/2019-nCoV (COVID-19) using any technique, multiple types or subtypes (includes all targets)*, for non-CDC developed testing (e.g., Hospital specific in-house developed testing)

It is important to remind providers that services must be reasonable and necessary for diagnosis and treatment in order to be covered by Medicare. [Social Security Act, Section 1862(a)(1)(A).] For a laboratory service to be reasonable and necessary, it must not only be ordered by the physician, but the ordering physician must also use the result in the management of the beneficiary's specific medical problem. Implicitly, the laboratory result must be reported to the physician promptly so that the physician can use the result and instruct continuation or modification of patient care; this includes the physician order for another laboratory service. [42 CFR, §410.32 and §411.15.]

Besides diagnostic testing, patients are likely to be quarantined in isolation accommodations which may not be adequately priced to cover additional costs related to the Coronavirus. These include, but may not be limited to, costs associated with increased staffing, security, decontamination (including disposal of contaminated items), and/or additional protective equipment required by caregivers. Hospitals should review

their current isolation accommodation structure and costs to determine if current rates are appropriate. The Medicare Provider Reimbursement Manual indicates,

"Charges refer to the regular rates established by the provider for services rendered to both beneficiaries and to other paying patients. Charges should be related consistently to the cost of the service and uniformly applied to all patients whether inpatient or outpatient." [CMS Provider Reimbursement Manual, Chapter 22, Section 2202.4.]. If the Hospital determines that current rates are not appropriate, they should consider adding a second level tiered isolation charge to ensure additional costs are appropriately integrated into the charge for nursing care and supplies represented by the accommodation charge as related to the Coronavirus and other high-risk infectious disease management needs in their total patient population.

Medicare has acknowledged in their FAQs (link provided below) that there may be times when such quarantine services are required and, if provided for medically necessary care, that Medicare will pay hospitals a DRG rate.

A new diagnosis code for COVID-19 Coronavirus has been created in the International Classification of Diseases, Tenth Revision (ICD-10) as an emergency code (U07.1, 2019-nCoV acute respiratory disease) by the World Health Organization (WHO). The new code will be added to the ICD-10-CM for reporting, effective with the next update, October 1, 2020. Until then, the CDC has provided guidance which is available on their website for coding related to pneumonia, acute bronchitis, lower respiratory infection, acute respiratory distress syndrome (ARDS), exposure, and signs and symptoms related to the Coronavirus. Hospitals should review the link provided in the additional information below for this diagnosis coding guidance.

Additionally, on March 6, 2020 H.R.6074 - Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 was signed into law by the President (Public Law 116-123) which

provides \$8.3B in emergency funding for federal agencies to respond to the Coronavirus outbreak. This includes provisions that allow for the temporarily waiver or modification of the Medicare requirements with respect to telehealth services during certain emergency periods. A link to the full text of Public Law 116-123 can be accessed from the list of resources below.

At this time, nThrive recommends that Hospitals

- ✓ Add HCPCS codes U0001 and U0002 to the CDM for diagnostic Coronavirus laboratory testing and develop a charge capture/order process for testing
- ✓ Hold claims with these HCPCS codes until April 1, 2020 for submission to Medicare
- ✓ Determine if HCPCS codes U0001 and U0002 will be accepted by other payers or if another alternative code should be reported for testing
- ✓ Review current isolation accommodation costs/charges and determine if a tiered isolation accommodation level is necessary to appropriately report costs based on current/anticipated isolation services
- ✓ Review with Hospital coding staff the CDC emergent coding advice from the link provided and standardize internal coding and diagnostic testing/admission coding elements or processes, including the provision of education to ordering providers as necessary
- ✓ Review the resources below related to the Coronavirus, testing, coding, and coverage at the following websites as it pertains to this reference document:

Reference documents

1. [Public Law No: 116-123](#), signed 3/6/2020
2. [CMS Public Health News Alert New Code for Coronavirus](#)
3. [CMS MLN Connects HCPS development](#)
4. [CMS Additional Code for Coronavirus Lab Tests](#)
5. [CMS Medicare Coverage Fact Sheet \(Coronavirus\)](#)
6. [CMS Medicaid and CHIP Coverage Fact Sheet \(Coronavirus\)](#)
7. [CMS Individual and Small Group Market Coverage Fact Sheet \(Coronavirus\)](#)
8. [CMS Notification to Surveyors for Emergency Use Authorization related to the Coronavirus](#)
9. [US FDA Emergency Use Authorization for diagnostic testing](#)
10. [CDC Situation Summary on the Coronavirus](#)
11. [CDC ICD-10 Code and Coding Guidance for the Coronavirus](#) ■