

Health Services
Office of Medical Assistance Programs

Joan M. Kapowich, Manager
OMAP Program and Policy Section

Authorized Signature

Number: OMAP-IM-04-127

Issue Date: 10/20/2004

Topic: Medical Benefits

Subject: Provider Letter to clarify the 90-day grace period elimination

Applies to (check all that apply):

- | | |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> All DHS employees | <input type="checkbox"/> County Mental Health Directors |
| <input type="checkbox"/> Area Agencies on Aging | <input type="checkbox"/> Health Services |
| <input type="checkbox"/> Children, Adults and Families | <input type="checkbox"/> Seniors and People with Disabilities |
| <input type="checkbox"/> County DD Program Managers | <input checked="" type="checkbox"/> Other (please specify): DHS staff and others identified on the SPD, CAF, OMHAS and OMAP transmittal lists |

Message: OMAP is mailing the attached letter to medical providers clarifying the elimination of the 90-day grace period for discontinued HCPCs codes.

If you have any questions about this information, contact:

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October 20, 2004

To: OMAP Service Providers

From: Joan Kapowich, Manager *Joan M. Kapowich*
OMAP Program and Policy Section



Subject: Clarify the 90-day grace period elimination

Effective Date: January 1, 2005

The Health Insurance Portability and Accountability Act (HIPAA) Transaction and Code Set Rule requires providers to **use the medical code set that is valid at the time that the service is provided**. Therefore, OMAP will no longer be able to allow a 90-day grace period for providers to learn about the discontinued HCPCS codes. In the past, the grace period allowed providers to familiarize themselves with both the new and obsoleted codes.

Beginning January 1, 2005, our system will deny claims that use outdated codes. In addition, effective January 1, OMAP will no longer allow a 90-day grace period for discontinued codes resulting from any mid-year HCPCS updates. This is also consistent with Medicare policy.

You may view the annual HCPCS update on the CMS Web site at <http://www.cms.hhs.gov/providers/pufdownload/anhcpcdl.asp>

Effective October 1, 2004, CMS also eliminated its grace period for discontinued ICD-9 codes, however this change did not affect OMAP billings as we have not historically allowed a grace period on ICD-9 codes.

Providers can view the new, revised, and discontinued ICD-9-CM diagnosis codes at <http://www.cms.hhs.gov/medlearn/icd9code.asp>.

For more information on HIPAA's rules that relate to claims submission, other transactions and code sets, please visit <http://www.cms.hhs.gov/hipaa/hipaa2/default.asp>

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