



TO: Acute Inpatient Hospitals

RE: Revised Diagnostic Related Group (DRG) Coding Reviews

The Department of Social Services (DSS) has been conducting reviews of inpatient hospital claims paid under a Diagnostic Related Group (DRG) methodology to ensure DSS is reimbursing the proper amount for these claims in conformance with Medicaid and DSS policy. These post payment reviews are conducted by DSS' contractor, Health Management Systems, Inc. (HMS).

This provider bulletin provides additional and updated guidance related to reviews of inpatient hospital claims paid under a Diagnostic Related Group (DRG) methodology that were previously outlined in [PB 2018-39](#) Diagnostic Related Group (DRG) Coding Reviews.

The DRG coding review process will remain unchanged. Following HMS' review, HMS will send reports to the hospitals listing claims with no findings (approved) and claims with findings (improperly coded and paid, or untimely or incomplete record response). For any improperly paid claims, the report will include:

1. The billed coding and DRG information for which DSS made payment,
2. The corrected coding and DRG information HMS identified from its review, and
3. A narrative of HMS's findings.

HMS will continue to review reconsideration requests and report the results (finding overturned or upheld) to the hospital.

For those claims HMS identifies as improperly overpaid, DSS will initiate a partial recoupment of the claim payment rather than the claims being fully recouped. The paid amount will be recalculated by deducting the recoupment

amount from the detail paid amount on the claim.

Inpatient claims that are identified and reprocessed will be assigned an Internal Control Number (ICN) beginning with a region code 60 "HMS Adjustment" and Explanation of Benefit (EOB) code 8228 "HMS – DRG Coding Review Adjustment. Contact HMS at 866-206-6855" on the provider's PDF Remittance Advice (RA).

Inpatient claims can also be identified on the 5010 X12 835 Health Care Claim Payment/Advice with Claim Adjustment Reason Code (CARC) 16 "Claim/service lacks information or has submission/billing errors(s)" and Remittance Advice Reason Code (RARC) N208 "Missing/incomplete/invalid DRG code."

HMS offers an online Provider Portal to streamline the review process, facilitate communication, and offer claims status information to stakeholders throughout the review cycle. For more information or additional assistance, please e-mail CT_Medicaid_State@hms.com or call 1-866-206-6855.