

Medically Unlikely Edits

Purpose

This policy is intended to ensure correct provider reimbursement and serves only as a general resource regarding Molina Healthcare's reimbursement policy for the services described in this policy. It is not intended to address every aspect of a reimbursement situation, nor is it intended to impact care decisions. This policy was developed using nationally accepted industry standards and coding principles. In a conflict, federal and state guidelines, as applicable, and the member's benefit plan document supersede the information in this policy. Also, to the extent of conflicts between this policy and the provider contract language, the Provider contract language will prevail. Coverage may be mandated by applicable legal requirements of a State, the Federal government or the Centers for Medicare and Medicaid Services (CMS). References included were accurate at the time of policy approval. If there is a state exception, please refer to the state exception table listed below.

Policy Overview

The National Correct Coding Initiative (NCCI) is a CMS program that consists of coding policies and edits. This program was developed to promote consistent and correct coding practices, thereby reducing inappropriate payments. Originally implemented for Medicare in 1996, NCCI was expanded to include Medicaid services under the Affordable Care Act in 2010. Since then, CMS has published two separate NCCI files: one for Medicare and one for Medicaid. Molina applies CMS Medicare NCCI edits to Medicare and Marketplace claims, and CMS Medicaid NCCI edits to Medicaid claims.

CMS National Correct Coding Initiative Program (NCCI) Medicare and Medicaid Program

Medically Unlikely Edits (MUEs) are utilized by the Medicare Administrative Contractors (MACs), including Durable Medical Equipment (DME) MACs, to reduce the improper payment rate for Part B claims. An MUE for an HCPCS/CPT code specifies the maximum units of service that a provider would report under most circumstances for a single beneficiary on a single date of service. Not all HCPCS/CPT codes have an MUE.

Reimbursement Guidelines

Medically Unlikely Edits (MUE)

A key component of NCCI is the Medically Unlikely Edits (MUE). These units of service edits define the maximum units of service that would be unlikely if the claim is reported correctly. There are three MUE files:

- Practitioners
- ASCs and outpatient hospitals
- DME providers

If more units of service are reported on a claim line than the MUE value for the code, the entire claim line will be denied. MUEs are daily limits and apply to services billed even when a separate benefit limit applies.



Example: Both Medicare and Medicaid have an MUE of 1 for A4253 (box of 50 glucose strips). Coverage may be limited to 3 boxes per month, but only one box may be supplied per day due to the MUE.

Providers billing on a 1500 claim form or electronic format can generally bill date spans. Providers billing on a UB04 claim form or electronic format must bill each date as a separate line item.

Updates to MUEs

NCCI edits are updated quarterly by CMS. Molina will implement these updates by the 15th of the month following the CMS effective date.

Supplemental Information

Definitions

Term	Definition
CMS	The Centers for Medicare & Medicaid Services. It is a federal agency within the United States Department of Health and Human Services that administers the Medicare program and works in partnership with state governments to administer Medicaid, the Children's Health Insurance Program (CHIP), and health insurance portability standards.
MUE	Medically Unlike Edits

State Exceptions

State	Exception
MI	Michigan Medicaid MUEs are based on limits set in CHAMPS

Documentation History

Type	Date	Action
Initial Creation Date	11/20/2020	New Policy
Revised Date	10/19/2022	Updated Links
Revised Date	08/16/2023	Verified links- TP
Revised Date	12/12/2024	Verified Links updated Template
Revised Date	6/12/2025	Updated Supplemental Information and State Exceptions
Revised Date	08/21/2025	Updated Template

References

References This policy was developed using:



- CMS
- State Medicaid Regulatory Guidance
- State Contracts

Reference	Link
CMS	https://www.cms.gov/files/document/ncci-medicaid-technical-guidance-manual-2022.pdf
NCCI	NCCI for Medicare CMS

***CODING DISCLAIMER.** Codes listed in this policy are for reference purposes only and may not be all-inclusive. Deleted codes and codes which are not effective at the time the service is rendered may not be eligible for reimbursement. Listing of a service or device code in this policy does guarantee coverage. Coverage is determined by the benefit document. Molina adheres to Current Procedural Terminology (CPT®), a registered trademark of the American Medical Association (AMA). All CPT codes and descriptions are copyrighted by the AMA; this information is included for informational purposes only. Providers and facilities are expected to utilize industry standard coding practices for all submissions. When improper billing and coding is not followed, Molina has the right to reject/deny the claim and recover claim payment(s). Due to changing industry practices, Molina reserves the right to revise this policy as needed.