



Enq: R. Smit  
t: 012 – 431 0506  
f: 012 – 431 0606  
e: [r.smit@medicalschemes.com](mailto:r.smit@medicalschemes.com)  
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## **CIRCULAR 30 OF 2010**

### **ICD-10 CODES, PRE-AUTHORISATION AND CLINICAL VALIDATION REQUIREMENTS.**

#### **1. Background**

The implementation of ICD-10 codes as a coding standard in South Africa was adopted on the 1<sup>st</sup> July 2005. The Medical Schemes Act 131 of 1998 regulation 5(f) requires that the relevant diagnostic code that relates to the health services rendered must be included on a claim in order for it to be considered for payment. It has however come to the Council for Medical Scheme's attention that certain stakeholders are declining authorizations based on the absence of an ICD-10 code.

#### **2. Detail**

Whilst it is legislated and enforced by all stakeholders that an ICD-10 code must be on a healthcare claim, there is no requirement for such a code to appear on any authorization request whether the request is telephonic or in writing. This is regardless of the services being authorized i.e. Chronic medication, Prescribed Minimum Benefit medication or Hospital authorizations. The Administrator / Managed Care organization is entitled to assign an ICD-10 code to the authorization being granted for internal and reporting purposes, however it must be noted that applying clinical validation that links the authorization ICD-10 code and the submitted ICD-10 code on a claim is not permitted.

In terms of Clinical validations being applied to claims, the ICD-10 task team has made it clear on previous circulars that administrators are currently not permitted to deny payment of a claim based on clinical validation being applied to an ICD-10 code. Clinical validation can be seen as the linking of an ICD-10 code

A statutory body established in terms of the  
Medical Schemes Act, 1998 (Act 131 of 1998)

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to the medication and or procedure performed, and determining if the ICD-10 code submitted is the correct code in light of the medication dispensed. The only reason a claim may be rejected is if no ICD-10 code is submitted on the claim or if an invalid primary ICD-10 code is submitted. Whilst the clinical validation of ICD-10 codes to the medication dispensed is a long term goal, this will only be implemented on a phased approach in the future. It must however be noted that clinical validation can take place for the management of PMB's within contractual agreements.

Note: It has come to the attention of the CMS that certain providers and coders contact certain call centers for diagnosis information. The council would like to stress the importance that a diagnosis can only be made by a trained professional whose scope of practice includes the treatment and diagnosis of illnesses. Call centre agents, helpdesk consultants and general administration staff may not be contacted to assist a prescriber in making a diagnosis or allocating an ICD-10 code.

### **3. Conclusion and recommendation**

The Council would like to stress this important issue and kindly request that all stakeholders adhere to the legislation relating to ICD-10 codes.

Should you require any further information please do not hesitate to contact the Council for Medical Schemes at [support@medicalschemes.com](mailto:support@medicalschemes.com).

**Dr M Gantsho**  
**REGISTRAR & CE**