

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 12995	Date: December 12, 2024
	Change Request 13917

SUBJECT: April 2025 Update to the Medicare Severity – Diagnosis Related Group (MS-DRG) Grouper and Medicare Code Editor (MCE) Version 42.1

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to implement new International Classification of Diseases, 10th Revision, Procedure Coding System (ICD-10-PCS) procedure codes to the Medicare Severity – Diagnosis Related Groups (MS-DRG) Grouper and Medicare Code Editor (MCE) version 42.1, effective for discharges on and after April 1, 2025.

This Recurring Update Notification applies to chapter 3, section 20.3.4.

EFFECTIVE DATE: April 1, 2025

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: April 7, 2025

Disclaimer for manual changes only: *The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

Attachment - Recurring Update Notification

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II. GENERAL INFORMATION

A. Background: The purpose of this Change Request (CR) is to implement new International Classification of Diseases, 10th Revision, Procedure Coding System (ICD-10-PCS) procedure codes to the Medicare Severity – Diagnosis Related Groups (MS-DRG) Grouper and Medicare Code Editor (MCE) version 42.1, effective for discharges on and after April 1, 2025.

ICD-10 MS-DRGs Version 42.1 Effective April 01, 2025

The Centers for Medicare & Medicaid Services (CMS) is implementing 50 new procedure codes into the International Classification of Diseases, Tenth Revision, Procedure Coding System (ICD10-PCS), effective April 01, 2025. Information regarding the new procedure codes is available at <https://www.cms.gov/files/document/icd-10-ms-drgs-v421-effective-april-1-2025.pdf>

The ICD-10 MS-DRG Grouper assigns each case into an MS-DRG based on the reported diagnosis and procedure codes and demographic information (age, sex, and discharge status).

The ICD-10 MCE Version 42.1 uses edits for the ICD-10 codes reported to validate correct coding on claims for discharges on or after April 1, 2025.

The ICD-10 MS-DRG Grouper software package to accommodate these new codes, Version 42.1, is effective for discharges on or after April 1, 2025.

The ICD-10 MS-DRG V42.1 Grouper Software, Definitions Manual Table of Contents and the Definitions of Medicare Code Edits V42.1 manual will be available at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/MS-DRG-Classifications-and-Software.html>

B. Policy: There is no policy change. Current policy is available in the Claims Processing Manual Publication (Pub.) 100-04, Chapter 3, Section 20.2.1 - Medicare Code Editor (MCE) and 20.2.2 - DRG GROUPE Program.

III. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
13917.1	The Medicare contractor shall install and edit claims with the MS-DRG Grouper and MCE version 42.1 software with the implementation of the April 2025 quarterly release for dates of discharge on and after April 1, 2025.					X				

IV. PROVIDER EDUCATION

Medicare Learning Network® (MLN): CMS will develop and release national provider education content and market it through the MLN Connects® newsletter shortly after we issue the CR. MACs shall link to relevant information on your website and follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 for distributing the newsletter to providers. When you follow this manual section, you don't need to separately track and report MLN content releases. You may supplement with your local educational content after we release the newsletter.

Impacted Contractors: A/B MAC Part A

V. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information:N/A

VI. CONTACTS

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VII. FUNDING

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and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

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