

IME Policy Clarification # _____

Date

MCO CEO Name

MCO

Address Line 1

Address Line 2

Des Moines, Iowa XX

Dear Ms/Mr.:

This formal guidance impacts capitation rates in the following manner:

- ☒ This is an Iowa Medicaid practice prior to April 1, 2016 and was included in the experience used to develop the capitation rates.
- ☐ This is a new process or policy that does not have a fiscal impact.
- ☐ This is a new process or policy that was reflected in revised capitation rates and implemented July 1, 2019.

Attestation:

I hereby attest to receipt and understanding of this communication including all requirements and due dates.

Name _____ Date _____.

The department will monitor progress towards implementation and may impose remedies for failure to implement.

This letter is a formal notification of the state's expectations related to the operations and implementation of Iowa Medicaid under the managed care program. This purpose of this letter is to do following:

- ☒ Provide formal guidance
- ☐ Request for information

The following refers to the way the IME views claims submitted with an NCCI-associated modifier, specifically modifiers 59, XE, XP, XS and XU:

The Medicaid NCCI procedure-to-procedure (PTP) edits define pairs of Healthcare Common Procedure Coding System (HCPCS)/Current Procedural Terminology (CPT) codes that should not be reported together for a variety of reasons. The purpose of the PTP edits is to prevent improper payments when incorrect code combinations are reported. Each edit has a Column 1 and Column 2 HCPCS/CPT code. If the same provider reports the two codes of an edit pair for the same member on the same date of service, the Column 1 code is eligible for payment, but the Column 2 code is not eligible for payment unless a clinically appropriate NCCI-associated modifier is permitted and submitted.

Modifiers:

The modifier indicators are represented by (0), (1), and (9) and are defined by the following:

- **0-** Indicates that NCCI-associated modifiers cannot be used to bypass the edit.
- **1-** Indicates that NCCI-associated modifiers may be used to bypass an edit under appropriate circumstances.
- **9-** Not applicable. The code pair is no longer bundled, and no modifier is needed for purposes of noting an NCCI exception.

Modifier 59 is defined as a Distinct Procedural Service and is used to identify procedures/services not normally reported together, but appropriately billable under the circumstances.

Effective for dates of service on and after January 1, 2015, CMS established four HCPCS modifiers that are a subset of modifier 59 to provide more precise coding options. They are:

- **XE** – “Separate Encounter, a service that is distinct because it occurred during a separate encounter.” Only use XE to describe separate encounters on the same date of service.
- **XS** – “Separate Structure, a service that is distinct because it was performed on a separate organ/structure”
- **XP** – “Separate Practitioner, a service that is distinct because it was performed by a different practitioner”
- **XU** – “Unusual Non-Overlapping Service, the use of a service that is distinct because it does not overlap usual components of the main service”

IME Process:

All procedure codes submitted with a modifier 59, XE, XP, XS, or XU are not subject to prepayment clinical claims review by the IME. Providers must maintain documentation in the medical record to support the distinct or independent identifiable nature of the

service submitted with one of these modifiers, and that the records will be provided in a timely manner for review upon request.

If a claim necessitates review and one of these modifiers are appended, the information billed on the claim, such as: diagnoses, anatomical sites, encounters, and claims history, is considered to determine whether the modifier appears to be correctly used.

If a claim or claim line(s) are denied a provider may submit a Provider Inquiry form, and any supporting documentation for reconsideration.

Claims may be audited for prepayment or post-payment review for the purpose of identifying trends or potential issues, which may warrant further review. A full prepayment review of every claim is not in alignment with the IME policy. However, NCCI editing will be conducted prepay (less clinical reviews) and expanded prepayment or post-payment review may be warranted when fraud or abuse is indicated.

Please sign and return the attached receipt and attestation of understanding by XX XX, 20XX.

Sincerely,

Xxxxx

Attestation:

I hereby attest to understanding this communication including all requirements and due dates.

Name_____

Date_____

