

## **Dermatology Coding Alert**

### **Modifiers: Modifier GZ Denials Will Arrive Faster, Thanks to New CMS Transmittal**

**No more 'complex medical review' for these non-covered services.**

Most of the time, when Medicare payers process denials in a speedy fashion, that's bad news for your practice -- but when you're using modifier GZ, you are already expecting a denial. CMS has made that happen faster with a new regulation indicating that all claims with modifier GZ appended will be denied immediately.

Background on why you'll use GZ: It happens to even the best-run medical practices--the physician has just performed a noncovered service and there's no ABN on file.

If you should have had a patient sign an advance beneficiary notice (ABN) but failed to do so, you should append modifier GZ (Item or service expected to be denied as not reasonable and necessary) to the CPT code describing the noncovered service the physician provided. The advantage to reporting modifier GZ is to avoid the potential for fraud and abuse charges -- by appending this modifier, you're telling Medicare that you know you performed a noncovered service and you know they aren't going to pay for it.

What the new rule means: In the past, your modifier GZ claims were potentially subject to complex medical reviews, which can slow claims and create logjams in your billing processes. However, CMS's new policy will ensure that these claims will be denied instantly.

In black and white: "Effective for dates of service on and after July 1, 2011, contractors shall automatically deny claim line(s) items submitted with a GZ modifier," states Transmittal 2148. Your explanation of benefits will list the denial codes CO (Provider/supplier liable) and 50 (These services are non-covered services because this is not deemed a 'medical necessity' by the payer).

Plan ahead: Don't allow yourself to resort to modifier GZ. Have a policy in place to collect ABNs when necessary. To read Transmittal 2148, visit [www.cms.gov/transmittals/downloads/R2148CP.pdf](http://www.cms.gov/transmittals/downloads/R2148CP.pdf).