

## Internal Medicine Coding Alert

### Modifier Update: Learn About Specific Alternatives to Modifier 59 in 2015

**Hint: Modifier 59 is not totally outdated, but CMS will prefer use of new substitutes.**

If you are already watching out for changes to CPT® codes in 2015, don't forget to switch your focus to modifiers. You will be seeing some refinement in the form of more precise alternatives to one of the most widely used modifiers—modifier 59.

#### Note The Expected Change

According to transmittal 1422 that CMS released in August, you should use one of the new "X(EPSU)" modifiers beginning Jan. 1, 2015. You will be using these modifiers instead of modifier 59 (Distinct procedural service) in many circumstances in which you might otherwise use modifier 59 to overcome Correct Coding Initiative (CCI) edits.

Although it is termed as the "modifier of last resort," modifier 59 is a hugely popular modifier that helps identify distinct services, separate encounters on the same day, and services performed on different anatomical locations, among other circumstances.

**Problem areas:** According to the 2013 Comprehensive Error Rate Testing Report data, an estimated \$320 million was the projected error rate in physician fee schedule payments associated with modifier 59, with an additional \$450 million in erroneous facility payments (primarily under the outpatient prospective payment system) due to misuse of the modifier 59. This modifier is associated with considerable abuse and high levels of manual audit activity, leading to reviews, appeals, and even civil fraud and abuse cases when being used incorrectly to identify a distinct service.

Also, in many cases, it was not clear as to why the modifier was being used (whether to identify a distinct service, separate encounter, or anatomical site). So, in order to overcome the problem, CMS decided to provide more specific options to replace modifier 59.

#### Know The Substitutes Introduced to Replace Modifier 59

CMS has announced in its transmittal that you will be provided with four HCPCS modifiers (referred to collectively as X{EPSU} modifiers) that you will begin to use as more precise options instead of modifier 59:

- XE - Separate Encounter (A service that is distinct because it occurred during a separate encounter)
- XP - Separate Practitioner (A service that is distinct because it was performed by a different practitioner)
- XS - Separate Structure (A service that is distinct because it was performed on a separate organ/structure)
- XU - Unusual Non-Overlapping Service (The use of a service that is distinct because it does not overlap usual components of the main service)

**Caveat:** Although the new modifiers will replace modifier 59 in specific instances, CMS won't cease accepting modifier 59 in 2015. "CMS will not stop recognizing modifier 59 but notes that CPT® instructions state that modifier 59 should not be used when a more descriptive modifier is available," says the Transmittal, which has an effective date of Jan. 1, 2015. "CMS will continue to recognize the modifier 59 in many instances but may selectively require a more specific -X(EPSU) modifier for billing certain codes at high risk for incorrect billing."

For example, a situation occurs where your internal medicine specialist provides services to a Medicare patient in two different encounters on the same day of service, and the CPT® codes that you will use to report both the services are bundled under CCI with the modifier indicator '1.' Since the edit can be overridden by the use of a modifier, you would

have used modifier 59 to unbundle the codes in 2014. But, for the same service occurring after Jan.1, 2015, you will be more precise if you use the XE modifier instead of 59 as the services were provided in two different encounters on the same day of service.

**Important:** CMS does not want you to play it safe and just add all the modifiers to each CCI edit you're trying to separate. "CMS views the -X{EPSU} modifiers as more selective versions of modifier 59 and considers it incorrect to include both modifiers on the same line," notes **Kent Moore**, senior strategist for physician payment at the American Academy of Family Physicians. Therefore, you should not report both modifier 59 and an X(EPSU) modifier on the same line item.

### Learn to Incorporate the New Modifiers Into Practice

You will need to be aware of which of these new modifiers you will have to use in specific situations where you have been using modifier 59. Check these scenarios that will give you insight into putting these modifiers into correct use:

**Scenario 1:** Your internal medicine specialist performs simple laceration repair to an 8.2 cm superficial wound on a patient's scalp and another three simple laceration repairs on the patient's face, nose, and ear. The total length of laceration repairs on the patient's face, nose, and ear is 9.5 cm.

You report 12004 (Simple repair of superficial wounds of scalp, neck, axillae, external genitalia, trunk and/or extremities (including hands and feet); 7.6 cm to 12.5 cm) for repair on the scalp and report 12015 (Simple repair of superficial wounds of face, ears, eyelids, nose, lips and/or mucous membranes; 7.6 cm to 12.5 cm) for the collective repair on the face, nose and the ear. Since these two codes are bundled by CCI, you will use the modifier XS to separate the codes as your clinician performed these services on different anatomical structures.

**Scenario 2:** Your internal medicine specialist excises a small benign skin lesion (excised diameter 0.4 cm) on a patient's right arm and takes a skin biopsy of a separate lesion elsewhere on the same arm. You report the excision with 11400 (Excision, benign lesion including margins, except skin tag [unless listed elsewhere], trunk, arms or legs; excised diameter 0.5 cm or less) and the biopsy with 11100 (Biopsy of skin, subcutaneous tissue and/or mucous membrane [including simple closure], unless otherwise listed; single lesion).

"CCI edits bundle code 11100 into 11400 in the absence of a modifier, reflecting that biopsy normally is considered a component of lesion excision when applied to the same lesion," Moore observes. "In this case, to indicate that the biopsy and lesion excision do not overlap due to the fact that they are performed on different lesions on the same arm, you would append modifier XU to code 11100."