

Part B Insider (Multispecialty) Coding Alert

Reader Question: You Can Now Use Modifier PD

Question: Please explain to me when to use modifier PD. Does this apply to us when a patient comes in for an exam and is admitted to hospital within 3 days even though we are a freestanding facility and not operated by a hospital?

Answer: If the entity you're coding for is not wholly owned or operated by a hospital, then you don't need to append modifier PD (Diagnostic or related nondiagnostic item or service provided in a wholly owned or operated entity to a patient who is admitted as an inpatient within 3 days).

On the other hand, those entities (practices, etc.) that are wholly owned or operated by a hospital and that provide any diagnostic or related non-diagnostic services to a patient who is admitted to that hospital within three days must append modifier PD to the codes for those services. They must apply the modifier to relevant services as of July 1, 2012.

Practices self-designate during Medicare enrollment whether they're owned or operated as a hospital. The hospital is responsible for alerting the practices they own or operate if the patient is admitted.

When practices append PD to a code that doesn't have both professional and technical components, Medicare will pay for the service based on the facility rate (rather than the non-facility rate). If a code has both professional and technical components, modifier PD will trigger Medicare to pay the practice for only the professional component. The technical component will be considered a hospital cost.

Resource: You can learn more about modifier PD use at

www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM7502.pdf.

CMS posted FAQs on the payment window at

<http://cms.hhs.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Downloads/CR7502-FAQ.pdf>.