

Eli's Rehab Report

READER QUESTIONS: How to Use Modifier KD

Question: Should we put modifier KD on all J codes for pump fills or just codes J2275 (Injection, morphine sulfate ...) and [J0476](#) (Injection, baclofen ...)?

South Carolina Subscriber

Answer: How you use modifier KD (Drug or biological infused through DME) depends on your payers' requirements.

Background: Medicare created modifier KD in response to the Medicare Modernization Act. This legislation changed how it paid "incident-to" drugs, moving from 95 percent average wholesale price to 85 percent AWP in 2004. Modifier KD allowed processing of medications infused through durable medical equipment to remain at the 95 percent AWP rate.

When Medicare reimbursement for medications changed in January 2005 to 106 percent of average sales price, modifier KD allowed the reimbursement for drugs infused through DME to remain at 95 percent of AWP (typically a higher rate of reimbursement than standard administration).

So for Medicare patients for any "Drug or biological substance infused through a DME," append modifier KD to the HCPCS code for that drug/biological substance. Check to see if your Medicare carrier has a local coverage determination or bulletin on pump refills. Many do and include specific directions as to how they want you to report drugs infused through infusion pumps.

As for other payers, many will allow you to bill modifier KD, but using this modifier doesn't change reimbursement like it does with Medicare. Private payers have their own reimbursement calculations that don't include any difference between DME-infused and non-DME-infused medications. A few payers may not recognize the modifier and deny the claim if you use modifier KD. The best option is to check with your payers.

You Be the Coder and Reader Questions were reviewed by **Marvel Hammer, RN, CPC, CCS-P, CHCO**, owner of MJH Consulting in Denver.