Outpatient Facility Coding Alert

Reader Question: Familiarize Yourself With the 4 DME Modifiers

Question: What other modifier do I use with RT or LT when I bill for DME equipment?

Rhode Island Subscriber

Answer: There are four important modifiers that you may append to DME claims as appropriate:

- Modifier KX (Requirements specified in the medical policy have been met) Reporting the KX modifier identifies that the provider met the requirements identified in the medical policy. Documentation is essential to support that the item is reasonable and necessary and that the specific coverage criteria specified in each policy have been met. The KX modifier has differing usage requirements depending on the specific Local Coverage Determination (LCD); review the LCDs carefully to understand the criteria.
- Modifier GA (The provider or supplier has provided an Advance Beneficiary Notice (ABN) to the patient) The GA modifier indicates that a patient received services that the provider believes will be denied for lack of medical necessity and the patient did not sign an advance beneficiary notice (ABN) accepting financial responsibility. If Medicare denies the claim, the beneficiary is responsible for payment for the services. However, if the provider does not bill using modifier GA, the beneficiary does not have to pay for the service.
- Modifier GZ (The provider or supplier expects a medical necessity denial, however, did not provide an Advance Beneficiary Notice (ABN) to the patient) Providers should use the GZ modifier on unassigned claims for all physician services when the patient has refused to sign an ABN for a provided service. If Medicare denies the claim, the provider may be able to collect for the service if he can prove he didn't know the service would be denied for lack of medical necessity. Providers are not required to report the GZ modifier, but its use helps greatly reduce the risk of fraud and abuse allegations.
- Modifier GY (If the service provided is statutorily excluded from the Medicare Program, the claim will deny whether or not the modifier is present on the claim) The GY modifier denotes statutorily excluded services, such as routine physical examinations, preventive health counselling, and lab tests in the absence of signs and symptoms. Providers do not collect an ABN in such situations. Medicare often automatically denies claims that contain modifier GY, which expedites the process for providers that require a denial to bill a secondary insurer for the service.

Heads Up: Also, there are two modifiers NU (New equipment) and RR (Rental) to be used with DME that can be either rented or purchased. RR stands for rental. NU stands for purchase of new equipment.

However, if the gastroenterologist performed an endoscopy recently (roughly within several months) to evaluate the symptoms at some date prior to Bravo placement, then it should not be necessary to repeat it just to get the location needed for the Bravo capsule placement. The second endoscopy would not be medically necessary and therefore not separately billable. You should include this in the Bravo claim.