

Modifier Coding Alert

Reader Question: Digest OIG Findings of Modifiers GY and GZ

Question: Since modifier GX was replaced by GY and GZ, I'm not sure which modifier to use when. Can you help me?

New York Subscriber

Answer: Modifier GY (Item or service statutorily excluded, does not meet the definition of any Medicare benefit or, for non-Medicare insurers, is not a contract benefit) is used when an item such as hearing aids, or a service is never covered by Medicare. An advance beneficiary notice (ABN) isn't necessary.

According to the Office of the Inspector General (OIG), you can file a claim using modifier GY "for example, when the beneficiary may need Medicare to deny the claim so that it can be submitted to the beneficiary's secondary insurance," as stated in their report OEI-02-10-00160 dated May 3, 2013.

You'll use modifier GZ (Item or service expected to be denied as not reasonable and necessary) when you expect Medicare to deny the claim and you don't have an ABN signed by the patient.

The OIG's report found that "in 2011, Medicare paid nearly \$744 million for Part B claims with G modifiers that providers expected to be denied as not reasonable and necessary or as not being covered by Medicare. We found vulnerabilities in how Medicare pays for these claims. When processing claims, contractors often do not consider the modifiers that providers use to indicate that they expect the services or items to be denied as not reasonable and necessary. Contractors also do not always consider the modifiers that providers use to indicate that services or items are not covered by Medicare."

Read more: You can read the OIG's report in its entirety at oig.hhs.gov/oei/reports/oei-02-10-00160.asp.