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MLN Matters Number: MM5025

Related Change Request (CR) #: 5025

Related CR Release Date: May 19, 2006

Effective Date: June 1, 2006

Related CR Transmittal #: R954CP

Implementation Date: August 20, 2006

## Payment for Evaluation and Management Services Provided During Global Period of Surgery

### Provider Types Affected

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Physicians and qualified nonphysician practitioners (NPP) who bill Medicare carriers for their services

### Key Points

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- The Centers for Medicare & Medicaid Services (CMS) has clarified the documentation requirements and policy requirements for the use of CPT modifier -25 used with E/M services. Please refer to the manual attachment to CR5025, *The Medicare Claims Processing Manual*, Publication 100-04, Chapter 12, Section 30.6.6, for revisions regarding the use of CPT modifier -25.
- Physicians and qualified nonphysician practitioners (NPP) should use CPT modifier -25 to designate a significant, separately identifiable E/M service provided by the same physician/qualified NPP to the same patient on the same day as another procedure or other service with a global fee period.
- Common Procedural Terminology (CPT) modifier -25 identifies a significant, separately identifiable evaluation and management (E/M) service. It should be used when the E/M service is above and beyond the usual pre- and post-

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operative work of a procedure with a global fee period performed on the same day as the E/M service.

- Different diagnoses are not required for reporting the E/M service on the same date as the procedure or other service with a global fee period. Modifier -25 is added to the E/M code on the claim.
- Both the medically necessary E/M service and the procedure must be appropriately and sufficiently documented by the physician or qualified NPP in the patient's medical record to support the need for Modifier -25 on the claim for these services, even though the documentation is not required to be submitted with the claim.
- Your carrier will not retract payment for claims already paid or retroactively pay claims processed prior to the implementation of CR5025. But, they will adjust claims brought to their attention.
- Carriers will not pay for an E/M service reported with a procedure having a global fee period unless CPT modifier -25 is appended to the E/M service to designate it as a significant and separately identifiable E/M service from the procedure. Such payment will be denied with the following messages:

#### ***Claim Adjustment Reason Code***

- **97** - Payment is included in the allowance for another service/procedure.

#### ***Remittance Advice Remark Code***

- **M144** - Pre-/post-operative care payment is included in the allowance for the surgery/procedure.

## **Additional Information**

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CR1250, Transmittal A-00-40, July 20, 2000, *Further Information on the Use of Modifier -25 in Reporting Hospital Outpatient Services*, can be found at <http://www.cms.hhs.gov/transmittals/downloads/A0040.PDF> on the CMS website. This article provides information that is especially helpful for emergency department use of modifier -25.

CR1725, Transmittal A-01-80, June 29, 2001, *Use of Modifier -25 and Modifier -27 in the Hospital Outpatient Prospective Payment System (OPPS)*, can be found at <http://www.cms.hhs.gov/Transmittals/Downloads/A0180.pdf> on the CMS website.

CR5025 is the official instruction issued to your carrier regarding changes mentioned in this article, MM5025. CR 5025 may be found by going to <http://www.cms.hhs.gov/Transmittals/downloads/R954CP.pdf> on the CMS website.

Please refer to your local carrier if you have questions about this issue. To find your carrier's toll free phone number, go to

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<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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