



January 2015

PROVIDER ANNOUNCEMENT

Dear Provider:

Health Choice is committed to continuously improving its claim review and payment processes. This notice serves as an update about new industry standard processes that we are implementing effective January 2015 for claims received with dates of service on or after January 5, 2015.

We will apply guidelines targeting, but not limited to, the use of modifiers 25, modifier 59 and more specific, newly released modifiers to be used in place of modifier 59. These guidelines are based on coding rules that reflect industry standards, including the National Correct Coding Initiative (NCCI), as published by CMS. These are the same processes that providers encounter from most other health care claim payers.

Please follow these guidelines when submitting claims with these modifiers:

1. **Modifier 25** may *only* be appended to an evaluation and management (E&M) CPT code to indicate that the E&M service is significant and separately identifiable from other services reported on the same date of service as the other service(s) provided on the same encounter or a separate encounter on the same day by the same physician. The E&M service may be related to the same or different diagnosis as the other service(s).
Please note: Modifier 25 is not appropriate when billed with surgical procedures, labs or radiology services.
2. **Modifier 59** in the past has been used to define a distinct procedural service. Effective January 1, 2015, in certain situations, the XE, XS, XP, XU modifiers can replace modifier 59 when they more accurately reflect the medical record.
3. **Modifiers XE, XS, XP, XU** are effective January 1, 2015. These modifiers were developed to provide greater reporting specificity in situations where modifier 59 was previously reported. These may be utilized in lieu of modifier 59 whenever appropriate. (Modifier 59 should only be utilized if no other more specific modifier is available.) Although NCCI will eventually require use of these modifiers rather than modifier 59, physicians may begin using them for claims with dates of service on or after January 1, 2015. The modifiers are defined as follows:
 - **XE** – “Separate encounter, A service that is distinct because it occurred during a separate encounter” This modifier should only be used to describe separate encounters on the same date of service.
 - **XS** – “Separate Structure, A service that is distinct because it was performed on a separate organ/structure”
 - **XP** – “Separate Practitioner, A service that is distinct because it was performed by a different practitioner”
 - **XU** – “Unusual Non-Overlapping Service, The use of a service that is distinct because it does not overlap usual components of the main service”

Health Choice believes that proper utilization of these modifiers will enable us to more effectively implement fair reimbursement guidelines aimed at preventing inappropriate billing.

We appreciate your cooperation and the high quality treatment that you provide to our members in your practice every day.

If you have any questions or need further information, please contact your Network Services Representative.

Thank you.