MLN Matters®
Information for Medicare Fee-for-Service Health Care Professionals

News Flash – Medicare paid over $92 million in incentives for 2008 under the Physician Quality Reporting Initiative (PQRI). More than 85,000 physicians and other eligible professionals who successfully reported quality-related data to Medicare under the 2008 PQRI received these payments, which were well above the $36 million paid in 2007. The number of eligible professionals who earned an incentive payment increased by one-third from 2007, when 56,700 eligible professionals earned an incentive payment. More information about the PQRI program, including participation guidance and the criteria to qualify for an incentive payment is available at *http://www.cms.hhs.gov/PQRI* on the CMS website.

MLN Matters® Number: MM6718

Related Change Request (CR) #: 6718

Related CR Release Date: December 4, 2009

Effective Date: January 15, 2009

Related CR Transmittal #: R1867CP

Implementation Date: No later than January 4, 2010

Requirements to Prevent the Misuse of Modifiers PA, PB, and PC on Incoming Claims

Provider Types Affected

Physicians, non-physician practitioners, and hospitals submitting claims to Medicare contractors (fiscal intermediaries (FIs), carriers, and Medicare Administrative Contractors (MACs)) for services provided to Medicare beneficiaries are affected

Provider Action Needed

This article, based on CR 6718, advises you that the PA, PB and PC modifiers are often being submitted incorrectly on claims. This can cause incorrect denials. The Centers for Medicare & Medicaid Services (CMS) issued CR 6718 to direct contractors on handling incorrect claims in order to alleviate the issue. These detailed instructions are explained in the background section of this article. Your billing staffs need to be aware of the proper uses of the modifiers PA, PB, and PC. The instructions are in MM6405, available at *http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6405.pdf* on the CMS website.

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Background

This article is based on CR 6718, which clarifies billing instructions and claims processing for information provided in a previous article MM6405. CR 6718 does not change the policy for the coverage or non-coverage of the adverse events described in MM6405.

CR 6405, "Wrong Surgical or Other Invasive Procedure Performed on a Patient; Surgical or Other Invasive Procedure Performed on the Wrong Body Part; Surgical or Other Invasive Procedure Performed on the Wrong Patient," a revised version of which was issued on September 25, 2009, implemented billing procedures for these adverse events.

CMS has learned that the modifiers described in the CR 6405 are, in many cases, being submitted incorrectly by the providers. In particular, some providers are using the PC modifier to represent the professional component of a service. This is incorrect. The PC modifier is defined as "Wrong Surgery on a Patient." The incorrect use of this modifier results in claims being incorrectly denied. Medicare contractors will follow the requirements in CR 6718 to help prevent claims from being processed with modifiers incorrectly submitted on them.

Medicare contractors will:

- Suspend, review, and develop all claim lines that are submitted with the PA, PB, or PC modifiers; and
- Contact the provider to determine whether the claims are related to one of the adverse events as described by the modifiers PA, PB, or PC.

If the contractor determines that the modifiers PA, PB, or PC have been incorrectly submitted, they will:

- Reject (return to provider) Part A outpatient claims;
- Return Part B claims as unprocessable with;
    - Claim Adjustment reason Code 4 (The procedure code is inconsistent with the modifier used or a required modifier is missing.); and
    - Remittance advice Remark Code MA130 – Your claim contains incomplete and/or invalid information, and no appeal rights are afforded because the claim is unprocessable. Please submit a new claim with the complete/correct information.

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Additional Information

If you have questions, please contact your Medicare contractor at their toll-free number which may be found at *http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip* on the CMS website.

The official instruction, CR 6718, issued to your Medicare contractor regarding this change may be viewed at *http://www.cms.hhs.gov/Transmittals/downloads/R1867CP.pdf* on the CMS website.

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