ConnectiCare

Payment Integrity Administrative Policy:

Coding Validation

EFFECTIVE DATE:	APPROVED BY
8/30/2022	**RPC (Reimbursement Policy Committee)**

Overview:

ConnectiCare has enhanced our existing claims editing program to improve the overall accuracy of our claims processing.

Policy Statement:

Edits are based on correct coding rules, published by national industry sources and administrative bodies. They are designed to detect potential coding errors and incorrect billing practices.

One issue addressed by the new edits is the correct use of modifiers. Modifiers have been defined by the American Medical Association (AMA) and adopted by Centers for Medicare and Medicaid (CMS), to provide additional information about the services rendered. The National Correct Coding Initiative (NCCI) Policy Manual also provides directions on modifier use. It states:

"Modifiers may be appended to HCPSC/CPT codes only if the clinical circumstances justify the use of the modifier. A modifier shall not be appended to a HCPCS/CPT solely to bypass an NCCI PTP edit if the clinical circumstances do not justify its use."

Coding Validation reviews the information on the claim and in the patient's claim history to determine if the modifier has been used correctly. Modifiers 25, 59, XE, XS, XP and XU comprise many of the overriding modifiers appended to services. Coding validations edits evaluate the correct use of overriding modifiers.

Modifier 24 Guidelines

This modifier may be used to indicate that an evaluation and management (E/M) service or eye exam, which falls within the global period of a major or minor surgery and which is performed by the surgeon, is unrelated to the surgery.

- Appended to the E/M procedure code only
- Use for E/M starting the day after a procedure
- Documentation supports service is treatment of the underlying condition
    - Not normal post-op services

Inappropriate Usage of Modifier 24

- For visits and services included in the global surgery package, including:
    - Treatment of surgical complication or infection
    - Taking out sutures or other wound treatment
    - When the medical record shows the E/M is related to the surgery

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- When the surgeon admits a patient to a skilled nursing facility when the admission is related to the surgery
- Outside of the post-op period of a procedure
- The same day as a procedure
- Critical care during the post-op period

Modifier 25 Guidelines

The AMA published the CPT and CPT with Modifiers guidelines which instruct providers to append modifier 25 to indicate a "significant, separately identifiable evaluation and management service (was provided) by the same physician on the same day as a procedure or other service". CPT guidelines define this significant and separate service as being "above and beyond" the usual preoperative and postoperative care associated with the procedure or service performed. The AMA "Coding with Modifiers" states:

"The E/M service must meet the key components (i.e., history, examination, medical decision making) of that E/M service including medical record documentation. To use modifier 25 correctly, the chosen level of E/M service needs to be supported by adequate documentation for the appropriate level of service and referenced by a diagnosis code. The CPT codes for procedures do include the evaluation services necessary before the performance of the procedure (e.g., assessing the site and condition of the problem area, explaining the procedure, obtaining informed consent); however, when significant and identifiable (i.e., medical decision making and another key component) E/M services are performed, these services are not included in the descriptor for the procedure or service performed."

Modifier 59, XE, XP, XS, XU Guidelines

"Coding with Modifiers" guidelines indicate modifiers 59, XE, XP, XS, XU should be used when the physician needs to indicate that a procedure or service was distinct or independent from other services performed on the same day.

"CMS established the National Correct Coding Initiative (NCCI) program to ensure the correct coding of services…. NCCI Procedure-to Procedure (PTP) edits prevent inappropriate payment of services that should not be reported together. Each edit has a column one and column two HCPCS/CPT code. If a provider reports the two codes of an edit pair for the same beneficiary on the same date of service, the column two code is denied, and the column one code is eligible for payment. However, if it is clinically appropriate to utilize an NCCI PTP-associated modifier, both the column one and column two codes are eligible for payment".

Modifier 59 is used to identify procedures/services that are not normally reported together but are appropriate under the circumstances. This may represent a different session or patient encounter, different procedure or surgery, different site or organ system, separate incision/excision, separate lesion, or separate injury (or area of injury in extensive injuries) not ordinarily encountered or performed on the same day by the same physician.

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Procedures Services in the Post-operative Period (Modifier 58, 78, 79)

- **Modifier 58 Definition**: "Staged or related procedure or service by the same physician during the post-operative period."
- **Modifier 78 Definition**: "Unplanned return to the operating or procedure room by the same physician following initial procedure for a related procedure during the post-operative period."
- **Modifier 79 Definition**: "Unrelated procedure or service by the same physician during a post-operative period."

When preparing claims for submission, it is important to make sure all the appropriate diagnosis codes have been assigned to the claim and that modifiers are used only when in accordance with published guidelines. If you have claims that you believe are incorrectly denied, due to the incorrect use modifiers, please submit medical records so we can determine the correct payment for those claims. Additional information can be found in the CPT book and NCCI manuals found on CMS's website regarding appropriate use of modifiers.

Revision History

Company(ies)	DATE	REVISION
ConnectiCare	11/14/2025	• Policy criteria are not applicable to Exchange and Medicare Advantage Plans for dates of service on or after **January 1, 2026.**
ConnectiCare	11/14/2025	• Transferred policy content to individual company-branded template. No changes to policy title or policy number.
EmblemHealth **ConnectiCare**	3/2022	• New Policy

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