



Payment Reduction for X-Rays Taken Using Computed Radiography

MLN Matters Number: MM10188

Related Change Request (CR) Number: 10188

Related CR Release Date: July 28, 2017

Effective Date: January 1, 2018

Related CR Transmittal Number: R3820CP

Implementation Date: January 2, 2018

PROVIDER TYPE AFFECTED

This MLN Matters® Article is intended for physicians and other providers submitting claims to Medicare Administrative Contractors (MACs) for computed radiography services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

This article is based on Change Request (CR) 10188 which announces that beginning January 1, 2018, and including Calendar Years (CY) 2018-CY 2022, a payment reduction of 7 percent applies to the technical component (and the technical component of the global fee) for computed radiography services that would otherwise be made under the Physician Fee Schedule (PFS) (without application of subparagraph (B)(i) and before application of any other adjustment), or under the hospital Outpatient Prospective Payment System (OPPS).

Similarly, if such X-ray services are furnished during CY 2023 or a subsequent year, a payment reduction of 10 percent applies to the technical component (and the technical component of the global fee) for computed radiography services.

See the Background and Additional Information Sections of this article for further details, and make sure that your billing staffs are aware of these changes.

BACKGROUND

New paragraph 1848 (b)(9) of the Social Security Act (SSA) provides that payments for imaging services that are X-rays taken using computed radiography (including the technical component portion of a global service) furnished during Calendar Year (CY) 2018, 2019, 2020, 2021, or 2022, that would otherwise be made under the Medicare Physician Fee Schedule (MPFS) (without application of subparagraph (B)(i) and before application of any other adjustment), be reduced by 7 percent, and similarly, if such X-ray services are furnished during CY 2023 or a subsequent year, by 10 percent. Computed radiography

technology is defined for purposes of this paragraph as cassette-based imaging which utilizes an imaging plate to create the image involved.

The statutory provision requires that information be provided and attested to by a supplier and a hospital outpatient department that indicates whether an applicable CR service was furnished, and that such information may be included on a claim and may be a modifier.

The statutory provision also provides that such information will be verified, as appropriate, as part of the periodic accreditation of suppliers under SSA Section 1834(e) (https://www.ssa.gov/OP_Home/ssact/title18/1834.htm) and hospitals under SSA Section 1865(a) (https://www.ssa.gov/OP_Home/ssact/title18/1865.htm). Any reduced expenditures resulting from this provision are not budget neutral.

To implement this provision, the Centers for Medicare & Medicaid Services (CMS) created modifier FY (Computed radiography services furnished). Beginning in 2018, claims for computed radiography services that are furnished for X-rays must include modifier FY that will result in the applicable payment reduction.

MACs will use the following messages when adjusting computed radiography claim lines that have been reported with the FY modifier:

- Remittance Advice Remark Code (RARC) N794 - Payment adjusted based on type of technology used
- Claim Adjustment Reason Code (CARC) CARC 237 - Legislated/Regulatory Penalty
- Group Code - CO

For claims billed with the FY modifier and another X-ray reduction modifier on the same line, contractors shall apply both reductions if applicable. The FY modifier reduction will be applied after the other reduction (for example, claims billed with both FX and FY modifier will have the FX modifier reduction applied first).

ADDITIONAL INFORMATION

The official instruction, CR10188, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R3820CP.pdf>.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/>.

DOCUMENT HISTORY

Date of Change	Description
November 28, 2017	Initial article released.

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