DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

MLN Matters® Number: MM9727 **Related Change Request (CR) #: CR 9727**

Related CR Release Date: August 12, 2016 **Effective Date: January 1, 2017**

Related CR Transmittal #: R3583CP **Implementation Date: January 3, 2017**

Payment Reduction for X-Rays Taken Using Film

Provider Types Affected

This MLN Matters® Article is intended for physicians, other providers, and suppliers who submit Part B claims to Medicare Administrative Contractors (MACs) for X-ray imaging services provided to Medicare beneficiaries.

Provider Action Needed

Change Request (CR) 9727 reduces the technical component (TC) (including the TC portion of a global service) of X-ray imaging services provided using film. Make sure that your billing staff are aware of these changes.

Background

The Consolidated Appropriations Act of 2016 (Section 502(a)(1)) is titled "Medicare Payment Incentive for the Transition from Traditional X-Ray Imaging to Digital Radiography and Other Medicare Imaging Payment Provision."

It amends the Social Security Act by reducing the payment amounts under the Physician Fee Schedule (PFS) by 20 percent for the technical component (and the technical component of the global fee) of imaging services that are X-rays taken using film. This is effective for services provided on or January 1, 2017.

To implement this provision, the Centers for Medicare & Medicaid Services (CMS) has created modifier FX (X ray taken using film). Beginning in 2017, claims for X-rays using film must include modifier FX that will result in the applicable payment reduction for which payment is made under the Medicare Physician Fee Schedule (MPFS).

The MPFS amount cannot be greater than the Outpatient Prospective Payment System (OPPS) amount. MACs will compare the OPPS Facility and Non-Facility Payment fields to the MPFS Facility and Non-Facility amounts and use the lower amount. The FX modifier will reduce whichever of these two amounts applies by 20 percent.

Beginning January 1, 2017, for claims in which the FX modifier reduction has been applied, MACs group code CO and the following messages:

- Claim Adjustment Reason Code 237 – Legislated/Regulatory Penalty. At least one Remark Code must be provided (may be comprised of either the NCPDP Reject Reason Code, or Remittance Advice Remark Code that is not an ALERT.)
- Remittance Advice Remarks Code N775 - Payment adjusted based on x-ray radiograph on film.

Note that the beneficiary is not liable for the FX modifier payment reduction.

Additional Information

The official instruction, CR 9727, issued to your MAC regarding this change is available at **https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3583CP.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/**.