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MLN Matters Number: MM5025

Related Change Request (CR) #: 5025

Related CR Release Date: May 19, 2006

Effective Date: June 1, 2006

Related CR Transmittal #: R954CP

Implementation Date: August 20, 2006

Note: This article was updated on November 1, 2012, to reflect current Web addresses. All other information remains unchanged.

Payment for Evaluation and Management Services Provided During Global Period of Surgery

Provider Types Affected

Physicians and qualified nonphysician practitioners (NPP) who bill Medicare Carriers for their services

Key Points

- The Centers for Medicare & Medicaid Services (CMS) has clarified the documentation requirements and policy requirements for the use of CPT modifier -25 used with E/M services. Please refer to the manual attachment to CR5025, *The Medicare Claims Processing Manual*, Publication 100-04, Chapter 12, Section 30.6.6, for revisions regarding the use of CPT modifier -25.
- Physicians and qualified nonphysician practitioners (NPP) should use CPT modifier -25 to designate a significant, separately identifiable E/M service provided by the same physician/qualified NPP to the same patient on the same day as another procedure or other service with a global fee period.
- Common Procedural Terminology (CPT) modifier -25 identifies a significant, separately identifiable evaluation and management (E/M) service. It should be used when the E/M service is above and beyond the usual pre- and post-

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operative work of a procedure with a global fee period performed on the same day as the E/M service.

- Different diagnoses are not required for reporting the E/M service on the same date as the procedure or other service with a global fee period. Modifier -25 is added to the E/M code on the claim.
- Both the medically necessary E/M service and the procedure must be appropriately and sufficiently documented by the physician or qualified NPP in the patient's medical record to support the need for Modifier -25 on the claim for these services, even though the documentation is not required to be submitted with the claim.
- Your carrier will not retract payment for claims already paid or retroactively pay claims processed prior to the implementation of CR5025. But, they will adjust claims brought to their attention.
- Carriers will not pay for an E/M service reported with a procedure having a global fee period unless CPT modifier -25 is appended to the E/M service to designate it as a significant and separately identifiable E/M service from the procedure. Such payment will be denied with the following messages:

Claim Adjustment Reason Code

- **97** - Payment is included in the allowance for another service/procedure.

Remittance Advice Remark Code

- **M144** - Pre-/post-operative care payment is included in the allowance for the surgery/procedure.

Additional Information

CR1250, Transmittal A-00-40, July 20, 2000, *Further Information on the Use of Modifier -25 in Reporting Hospital Outpatient Services*, can be found at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/A0040.PDF> on the CMS website.

This article provides information that is especially helpful for emergency department use of modifier -25.

CR1725, Transmittal A-01-80, June 29, 2001, *Use of Modifier -25 and Modifier -27 in the Hospital Outpatient Prospective Payment System (OPPS)*, can be found at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/A0180.pdf> on the CMS website.

CR5025 is the official instruction issued to your carrier regarding changes mentioned in this article, MM5025. CR 5025 may be found by going to

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<http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R954CP.pdf> on the CMS website.

Please refer to your local carrier if you have questions about this issue. To find your carrier's toll free phone number, go to <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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