April 9, 2018

Dear billing/office manager,

Moda Health medical claims processing includes the use of clinical edits that follow CMS/Medicare coding guidelines, as well as other industry standard guidelines (including but not limited to AMA, CPT, HCPCS) for the appropriate adjudication of claims.

In an effort to reduce healthcare waste and billing errors, Moda Health will be standardizing clinical editing and reimbursement policies to more closely follow CMS for all lines of business, and enhancing the way clinical editing is applied to professional and facility claims.

Effective with processing dates of July 1, 2018 and after (regardless of the date of service), Moda Health will be broadly implementing the following clinical edits for all our lines of business:

Multiple Procedure Payment Reductions – Multiple procedure payment adjustment rules will follow CMS for all types of multiple procedure indicators. Adjustments will be applied whether or not modifier 51 is appended to the procedure code. These include:

- Multiple Procedure Reductions (CMS multiple procedure indicator "1" or "2")
- Multiple Endoscopy Reductions (indicator "3")
- Multiple Diagnostic Imaging Reductions (indicator "4")
- Multiple Therapy Reductions (indicator "5")
- Multiple Diagnostic Cardiovascular Reductions (indicator "6")
- Multiple Diagnostic Ophthalmology Reductions (indicator "7")

More information on multiple procedure payment adjustments can be found on reimbursement policy RPM022.

Discontinued Outpatient Hospital/ASC Procedures (Modifiers 73 & 74) – CMS requirements and fee adjustments for discontinued procedure facility fees will be applied. More information can be found on reimbursement policy RPM049.

Anesthesia Payment Modifiers - Anesthesia services must be submitted with an appropriate anesthesia payment modifier to indicate the number of providers and roles involved in the anesthesia service. Please begin submitting modifier AA when services are performed personally by an anesthesiologist. CMS reduction rules for modifier AD will be applied.

Effective for claims processed on or after July 1, 2018, regardless of date of service, claims for anesthesia services submitted without an appropriate payment modifier will be denied as a billing error for lack of a required modifier. A corrected claim will need

to be submitted with the appropriate modifier(s) added. More information can be found on reimbursement policy RPM034.

Maternity Global Periods – The global maternity period for vaginal delivery will be 49 days. The global maternity period for cesarean delivery will be 90 days, which is the same as any other major surgery. More information can be found on reimbursement policy RPM020.

Medicare Advantage Claims – As a reminder, CMS documents a wealth of very specific coding and coverage requirements in National Coverage Determinations (NCDs), Local Coverage Determinations (LCDs, e.g. Noridian LCDs), transmittals, MLN articles, and other sources. Remember that if CMS requires that a certain procedure code, value code, provider specialty, condition codes, bill type, etc. be used, these requirements need to be followed, as they apply to Medicare Advantage claims as well.

Over the next few months, we'll be sending you more information on our clinical editing and administrative policies, and offering educational resources to your practice that include tips on modifier usage, documentation rules, and coding guidelines.

As we continue to focus on our commitment of more closely aligning our policies with CMS guidelines and being transparent with our provider partners, we'd like to thank you for your continued efforts of following correct coding and billing practices.

To view a complete list of Moda's reimbursement policies, please visit www.modahealth.com/medical/policies_reimburse.shtml.

Questions?

We're here to help. Just email medical@modahealth.com or call us toll-free at 877-605-3229.

Sincerely,

Moda Health Medical Provider Relations team