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# CMS Manual System

## Pub. 100-04 Medicare Claims Processing

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Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
Medicaid Services (CMS)

Transmittal 516

Date: APRIL 1, 2005

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CHANGE REQUEST 3771

**SUBJECT: Clarification for OPPS Hospitals Billing Initial Preventive Physical Exam (IPPE)**

**I. SUMMARY OF CHANGES:** Fiscal Intermediaries are to instruct providers about the use of modifier 25 on Hospital Outpatient claims subject to OPPS when billing IPPE.

**NEW/REVISED MATERIAL - EFFECTIVE DATE\*: January 1, 2005**

**IMPLEMENTATION DATE: October 3, 2005**

*Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual not updated.)**

**(R = REVISED, N = NEW, D = DELETED)**

<b>R/N/D</b>	<b>CHAPTER/SECTION/SUBSECTION/TITLE</b>
<b>R</b>	18/Table of Contents
<b>N</b>	18/80.3.3/OPPS Hospitals Billing
<b>R</b>	18/80.8/Advanced Beneficiary Notice (ABN) as Applied to the IPPE

**III. FUNDING: No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.**

**IV. ATTACHMENTS:**

	<b>Business Requirements</b>
<b>X</b>	<b>Manual Instruction</b>
	<b>Confidential Requirements</b>
<b>X</b>	<b>One-Time Notification</b>
	<b>Recurring Update Notification</b>

\*Unless otherwise specified, the effective date is the date of service.

# Attachment – One-Time Notification

Pub. 100-04	Transmittal: 516	Date: April 1, 2005	Change Request 3771
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**SUBJECT: Clarification for OPSS Hospitals Billing the Initial Preventive Physical Exam (IPPE)**

## I. GENERAL INFORMATION

**A. Background:** The instructions for billing the initial preventive physical examination (IPPE), released in CR 3638, Transmittal 417, on December 22, 2004, failed to take into account an existing hospital outpatient prospective payment system (OPSS) Outpatient Code Editor (OCE) edit. The OPSS OCE v.6.0, like all previous OPSS OCEs, contains an edit that requires a modifier 25 on any evaluation and management (E/M) HCPCS code if there is also a status “S” or “T” HCPCS procedure code on the claim. The HCPCS code for the IPPE or Welcome to Medicare Physical uses an E/M code, G0344. The HCPCS code for the technical component only of the EKG, G0367, has a status indicator of S.

**B. Policy:** In order to obtain payment for the IPPE (G0344) when the technical component of the EKG (G0367) is billed on the same claim, hospital outpatient departments subject to the hospital OPSS are to append modifier 25 to the HCPCS code for the IPPE itself, HCPCS code G0344. FIs are to process any provider requests for adjustments if the FI initially denied the claim for HCPCS code G0344.

## II. BUSINESS REQUIREMENTS

*“Shall” denotes a mandatory requirement*

*“Should” denotes an optional requirement*

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C H I e r	D M R C	Shared System Maintainers			
					F I S S	M C S	V M S	C W F	
3771.1	Contractors shall educate all hospitals subject to OPSS (12X and 13X) that when billing IPPE (G0344) and the technical component of the EKG (G0367), modifier 25 must be placed on the HCPCS code G0344.	X							
3771.2	Contractors shall adjust any claims brought to their attention on this matter.	X				X			

**III. PROVIDER EDUCATION**

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3771.3	A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/medlearn/matters">www.cms.hhs.gov/medlearn/matters</a> shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.									

**IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS**

**A. Other Instructions: N/A**

X-Ref Requirement #	Instructions

**B. Design Considerations: N/A**

X-Ref Requirement #	Recommendation for Medicare System Requirements

**C. Interfaces: N/A**

**D. Contractor Financial Reporting /Workload Impact: N/A**

**E. Dependencies: N/A**

**F. Testing Considerations: N/A**

**V. SCHEDULE, CONTACTS, AND FUNDING**

<p><b>Effective Date*:</b> January 1, 2005</p> <p><b>Implementation Date:</b> October 3, 2005</p> <p><b>Pre-Implementation Contact(s):</b> Taneka Rivera 410-786-9502 <a href="mailto:TRivera@cms.hhs.gov">TRivera@cms.hhs.gov</a> or Cindy Murphy 410-786-5733 <a href="mailto:CMurphy1@cms.hhs.gov">CMurphy1@cms.hhs.gov</a></p> <p><b>Post-Implementation Contact(s):</b> Appropriate <b>Regional Office</b></p>	<p><b>No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.</b></p>
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# Medicare Claims Processing Manual

## Chapter 18 - Preventive and Screening Services

Table of Contents  
*(Rev. 516, 04-01-05)*

### Crosswalk to Old Manuals

*80.3.3 – OPPS Hospitals Billing*

### **80.3.3 - OPSS Hospitals Billing Instructions**

***(Rev. 516, Issued: 04-01-05, Effective: 01-01-05, Implementation: 10-03-05)***

*Hospitals subject to OPSS (TOBs 12X and 13X) must use modifier 25 when billing the IPPE G0344 along with technical component of the EKG, G0367, on the same claim. This is due to an Outpatient Prospective Payment System (OPSS) Outpatient Code Editor (OCE) which contains an edit that requires a modifier 25 on any evaluation and management (E/M) HCPCS code if there is also a status "S" or "T" HCPCS procedure code on the claim.*

## **80.8 – Advanced Beneficiary Notice (ABN) as Applied to the IPPE**

If a second IPPE is billed for the same beneficiary, it would be denied *based on* section 1861(s)(2) of the Act, since the IPPE is a one-time benefit, and an ABN would not be required in order to hold the beneficiary liable for the cost of the *second* IPPE. However, an ABN should be issued for all IPPEs conducted after the beneficiary's statutory 6-month period has lapsed since based on 1862(a)(1)(K), Medicare is statutorily prohibited from paying for an IPPE outside the *initial* 6-month period.