Modifier Fraud: 25, 26, 76, 77 and TC

Chief Business Office Purchased Care
Department of Program Integrity (DPI)

October 2013

VA HEALTH CARE Defining EXCELLENCE in the 21st Century

Objectives

- **Definition of modifiers: 25, 26, 76, 77 and TC**
- **Identify fraudulent billing practices**

Overview

Providers using modifiers:

- **Modifiers are an important tool for coding and billing health care services**
- **In an effort to increase profit, providers are using modifiers more then ever; which makes VA Health Care Programs more vulnerable**

Definitions of Modifiers

Modifier	Description
25	Significant, separately identifiable evaluation and management (E/M) services by the same physician on the same day of the procedure or other service.
26	Professional Component refers to certain procedures that are a combination of a physician component and a technical component.
76	Repeat producer by the same physician; use when it is necessary to report repeat procedures performed on the same day.
77	Repeat prcodeure or service by another physican or quailifed health care professional.
TC	This modifier identifies the technical component of certain services that combine both the professional and technical portions in one procedure code. Using modifier TC identifies the technical component.

Table of modifiers and the definitions of each utilized in billing practices.

Modifier 25 (Example 1)

Professional Claim: Office visit ~ Evaluation & Management

21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 24E by Line)

1. 784 . 0
2. 87 . 0
3. .
4. .

22. MEDICAID RESUBMIS CODE

23. PRIOR AUTHORIZATI

24. A. DATE(S) OF SERVICE From MM	DD	YY	To MM	DD	YY	B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	MODIFIER			E. DIAGNOSIS POINTER	F. $ CHARGES	
10	01	13	10	01	13	11		99214				1	106	83
10	01	13	10	01	13	11		70551	25			2	71	45

21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 24E by Line)

1. 784 . 0
2. 87 . 0
3. .
4. .

22. MEDICAID RESUB CODE

23. PRIOR AUTHORIZ

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10	01	13	10	01	13	11		99214	25			1	106	83

Modifier 26 (Example 2)

Professional Claim: Mammography ~ Professional Component

21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 24E by Line)

1. 793 . 8
2. .
3. .
4. .

22. MEDICAID RES CODE

23. PRIOR AUTHO

24. A. DATE(S) OF SERVICE From MM	DD	YY	To MM	DD	YY	B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	MODIFIER			E. DIAGNOSIS POINTER	F. $ CHARGES
10	01	13	10	01	13	21		77057	26	TC	LT	1	81.65

21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 24E by Line)

1. 793 . 8
2. .
3. .
4. .

22. MEDICAID RESU CODE

23. PRIOR AUTHOR

24. A. DATE(S) OF SERVICE From MM	DD	YY	To MM	DD	YY	B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	MODIFIER			E. DIAGNOSIS POINTER	F. $ CHARGES
10	01	13	10	01	13	21		77057	26	LT		1	34.02

Modifier 76/77 (Example 3)

Professional Claim: Radiology ~ Repeat procedure by the same/different physician

24. A. DATE(S) OF SERVICE From MM	DD	YY	To MM	DD	YY	B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	MODIFIER				E. DIAGNOSIS POINTER	F. $ CHARGES	
10	01	13	10	01	13	21		71275					1	409	64
10	01	13	10	01	13	21		71275	76	77			1	819	28

24. A. DATE(S) OF SERVICE From MM	DD	YY	To MM	DD	YY	B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	MODIFIER				E. DIAGNOSIS POINTER	F. $ CHARGES	
10	01	13	10	01	13	21		71275					1	409	64
10	01	13	10	01	13	21		71275	76				1	409	64
10	02	13	10	02	13	21		71275					1	409	64
10	02	13	10	02	13	21		71275	77				1	409	64

Modifier TC (Example 4)

Professional Claim: Mammography ~ Technical Component

21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 24E by Line)

1. 793 . 8
2. .
3. .
4. .

22. MEDICAID RESUB CODE

23. PRIOR AUTHORIZ

24. A. DATE(S) OF SERVICE From MM	DD	YY	To MM	DD	YY	B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	MODIFIER			E. DIAGNOSIS POINTER	F. $ CHARGES	
10	01	13	10	01	13	11		77057	26	TC	LT	1	81	65

21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 24E by Line)

1. 793 . 8
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3. .
4. .

22. MEDICAID RESUB CODE

23. PRIOR AUTHORIZ

24. A. DATE(S) OF SERVICE From MM	DD	YY	To MM	DD	YY	B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	MODIFIER			E. DIAGNOSIS POINTER	F. $ CHARGES	
10	01	13	10	01	13	11		77057	TC	LT		1	47	63

Modifier TC (Example 4) cont.

Example of Payment Rates for the TC, 26, Global Rates:

CPT Code	Modifier	Component	Price
76705	26	Professional	$28.24
76705	TC	Technical	$82.00
76705	Global	Professional + Technical	$110.23

Conclusion

- **Provided definitions for modifiers: 25, 26, 76, 77 and TC**
- **Identified fraudulent modifier billing practices**
- **When claims are received with incorrect modifier usage; do not pay it**
- **WPS Government Health Administrators Portal *http://www.wpsmedicare.com/part_b/resources/modifiers/***

References

Veterans Affairs manages several health care programs that reimburse private health care providers for caring for our Veterans and their eligible family members. Unfortunately these health care programs have a different statutory and regulatory authority, which creates diverse payment methodologies. The majority of VA health care programs utilize Medicare's payment methodologies or something very similar.

Therefore, providers and facilities that utilize Medicare's billing and coding guidelines will greatly minimize claim delays or rejections as a result of the Program Integrity Tools fraud and abuse review.

The following Medicare link is an excellent source of billing and coding guidance for all providers and facilities:

Medicare Claim Processing Guide
http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c01.pdf