



## REIMBURSEMENT POLICY STATEMENT

### Indiana Medicaid

Policy Name & Number	Date Effective
Modifiers-IN MCD-PY-1347	10/01/2025
Policy Type	
REIMBURSEMENT	

Reimbursement Policies prepared by CareSource and its affiliates are intended to provide a general reference regarding billing, coding and documentation guidelines. Coding methodology, regulatory requirements, industry-standard claims editing logic, benefits design and other factors are considered in developing Reimbursement Policies.

In addition to this Policy, Reimbursement of services is subject to member benefits and eligibility on the date of service, medical necessity, adherence to plan policies and procedures, claims editing logic, provider contractual agreement, and applicable referral, authorization, notification and utilization management guidelines. Medically necessary services include, but are not limited to, those health care services or supplies that are proper and necessary for the diagnosis or treatment of disease, illness, or injury and without which the patient can be expected to suffer prolonged, increased or new morbidity, impairment of function, dysfunction of a body organ or part, or significant pain and discomfort. These services meet the standards of good medical practice in the local area, are the lowest cost alternative, and are not provided mainly for the convenience of the member or provider. Medically necessary services also include those services defined in any federal or state coverage mandate, Evidence of Coverage documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other policies and procedures.

This Policy does not ensure an authorization or Reimbursement of services. Please refer to the plan contract (often referred to as the Evidence of Coverage) for the service(s) referenced herein. If there is a conflict between this Policy and the plan contract (i.e., Evidence of Coverage), then the plan contract (i.e., Evidence of Coverage) will be the controlling document used to make the determination. CareSource and its affiliates may use reasonable discretion in interpreting and applying this Policy to services provided in a particular case and may modify this Policy at any time.

According to the rules of Mental Health Parity Addiction Equity Act (MHPAEA), coverage for the diagnosis and treatment of a behavioral health disorder will not be subject to any limitations that are less favorable than the limitations that apply to medical conditions as covered under this policy.

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## A. Subject Modifiers

## B. Background

Reimbursement modifiers are a two-digit code that provide a way for physicians and other qualified health care professionals to indicate that a service or procedure has been altered by some specific circumstance. Modifiers can be found in the appendices of both Current Procedural Terminology (CPT) and Healthcare Common Procedure Coding System (HCPCS) manuals. Use of a modifier does not change the code or the code's definition. Examples of modifiers' use includes:

- To differentiate between the surgeon, assistant surgeon, and facility fee claims for the same procedure;
- To indicate that a procedure was performed on the left side, right side, or bilaterally;
- To report multiple procedures performed during the same session by the same health care provider;
- To indicate multiple health care professionals participated in the procedure;
- To indicate a subsequent procedure is due to a complication of the initial procedure.

Although CareSource accepts the use of modifiers, use does not guarantee reimbursement. Some modifiers increase or decrease the reimbursement rate, while others do not affect the reimbursement rate. CareSource may verify the use of any modifier through post-payment audit. Inappropriate use of a modifier can result in a claim denial or incorrect reimbursement for a product or service. All information regarding the use of these modifiers must be made available upon CareSource's request.

## C. Definitions

- **Current Procedural Terminology (CPT)** – Codes that are issued, updated and maintained by the American Medical Association (AMA) that provide a standard language for coding and billing medical services and procedures.
- **Healthcare Common Procedure Coding System (HCPCS)** – Codes that are issued, updated and maintained by the American Medical Association (AMA) that provide a standard language for coding and billing of products, supplies, and services not included in the CPT codes.
- **Modifier** – Two-character codes used along with a CPT or HCPCS code to provide additional information about the service or supply rendered.

## D. Policy

It is the responsibility of the submitting provider to submit accurate documentation of services performed. Providers are expected to use the most accurate and appropriate CPT/HCPCS code(s) for the product or service that is being provided according to the following industry standard guidelines (may not be all-inclusive):

- National Correct Coding Initiative (NCCI) editing guidelines
- American Medical Association (AMA) guidelines
- American Hospital Association (AHA) billing rules

The REIMBURSEMENT Policy Statement detailed above has received due consideration as defined in the REIMBURSEMENT Policy Statement Policy and is approved.

- Current Procedural Terminology (CPT)
- Healthcare Common Procedure Coding System (HCPCS)
- ICD-10 CM and PCS
- National Drug Codes (NDC)
- Diagnosis Related Group (DRG) guidelines
- CCI table edits
- State Medicaid Agency

The inclusion of a code in a policy does not imply any right to reimbursement or guarantee claims payment.

#### E. Conditions of Coverage

Reimbursement is dependent on, but not limited to, submitting Indiana Medicaid approved CPT/HCPCS codes along with appropriate modifiers, if applicable. Please refer to the individual Indiana Medicaid fee schedule for appropriate codes.

Providers must follow proper billing, industry standards, and state compliant codes on all claim submissions. The use of modifiers must be fully supported in the medical record and/or office notes. Unless otherwise noted within the policy, our policies apply to both participating and nonparticipating providers and facilities.

In the event of any conflict between this policy and a provider's contract with CareSource, the provider's contract will be the governing document.

#### F. Related Policies/Rules

N/A

#### G. Review/Revision History

DATE		ACTION
<b>Date Issued</b>	01/01/2020	New policy
<b>Date Revised</b>	12/15/2021	Annual review. Removed modifiers, changed background and policy sections to simplify language. New policy number created and converted from PY-0719 due to extensive edits
	10/12/2022	No changes. Update references.
	09/27/2023	Updated references. Approved at Committee.
	05/07/2025	Periodic review. Updates background and references. Approved at Committee.
<b>Date Effective</b>	10/01/2025	
<b>Date Archived</b>		

#### H. References

1. Billing 340B Modifiers Under the Hospital Outpatient Prospective Payment System (OPPS). US Centers for Medicare and Medicaid Services. March 3, 2023. Accessed March 26, 2025. [www.cms.gov](http://www.cms.gov)

The REIMBURSEMENT Policy Statement detailed above has received due consideration as defined in the REIMBURSEMENT Policy Statement Policy and is approved.

2. CPT® overview and code approval. American Medical Association. Accessed March 26, 2025. [www.ama-assn.org](http://www.ama-assn.org)
3. Medicare Claims Processing Manual, XII: Physicians/Nonphysician Practitioners. US Centers for Medicare and Medicaid Services. Issued December 19, 2024. Accessed March 26, 2025. [www.cms.gov](http://www.cms.gov)
4. Medicare Claims Processing Manual, XIV: Ambulatory Surgical Centers. US Centers for Medicare and Medicaid Services. March 24, 2023. Accessed March 26, 2025. [www.cms.gov](http://www.cms.gov)

IN-MED-P-2484809

Issue Date 01/01/2020

Approved OMPP 06/23/2025

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