

Dear NHIA members,

The Medicare bill for denial process is burdensome and ties up home infusion providers cash. NHIA has long advocated for an efficient process to bill secondary insurance for non-covered Medicare services. Good news, BlueCross BlueShield (BCBS) plans will be instituting a new process that allows for “direct billing” of Medicare statutorily excluded items using the GY modifier. The details below were provided in a BCBS of Arizona provider newsletter. NHIA reached out to the BCBS Association and confirmed that this process will be adopted by all the Blues plans on Oct. 13, 2013.

PRICING CLAIMS FOR MEDICARE STATUTORILY EXCLUDED SERVICES

Since Jan. 1, 2006, all Blue Plans have been required to process Medicare crossover claims for services covered under Medigap and Medicare Supplemental products through Centers for Medicare & Medicaid Services (CMS). This has resulted in automatic submission of Medicare claims to the Blue secondary payor, eliminating the need for the provider’s office or billing service to submit an additional claim to the secondary carrier. Additionally, this has also allowed Medicare crossover claims to be processed in the same manner nationwide.

Effective Oct. 13, 2013, the following Medicare crossover servicing updates will be in place for all Blue Plans to more accurately price and process these claims:

- For services that are statutorily excluded by Medicare (e.g., hearing aids and certain home infusion therapy), providers should submit only those statutorily excluded services to Blue Cross Blue Shield of Arizona (BCBSAZ) with a GY modifier on each line for the service that is excluded or not covered by Medicare. The GY modifier should be used to indicate that the item or service is statutorily excluded. This will allow BCBSAZ to apply the contracted rate with the provider to accurately process the claim according to the member’s benefits. Also, by submitting statutorily excluded services with a GY modifier directly to BCBSAZ, you will receive payment for these services in a timelier manner.
- When a provider submits a claim to Medicare and the services were statutorily excluded and not covered by Medicare, however, the member has benefits for those services; providers will receive notification from the Blue Plan with instructions to submit those statutorily excluded services directly to BCBSAZ. Instructions will be included in either a paper or electronic remittance advice or in a letter from the Blue Plan.

Paper Remittance Advices and Letters:

- When receiving paper remittance advices or letters, you will receive instructions similar to the message below:
 - This service is excluded or not covered under Medicare. However, the service may be eligible for benefits under other coverage. Please submit this service to your local Plan.

Electronic Remittance Advices (835):

- The following HIPAA claim adjustment reason codes and remark codes will be included on the 835 responses:
 - Claim Adjustment Reason Code (CARC) 109: "Claim not covered by this payor/contractor."
 - Remittance Advice Remark Code (RARC) N837: "Alert: submit this claim to the patient's other insurer for potential payment of supplemental benefits. We did not forward the claim information."
 - Group Code: OA

Commonly Asked Questions

How do I know if a service is statutorily excluded or not covered by Medicare?

Providers are responsible for including the GY modifier on only those services which are statutorily excluded by Medicare.

Where on the claim do I put the GY modifier?

The GY modifier should be used with the specific, appropriate HCPCS procedure code when one is available. In cases where there is no specific procedure code to describe services, a "not otherwise classified code" (NOC) must be used with the GY modifier.

The GY modifier is located in the line level procedure code modifier field(s) and the modifier can be:

- Present position 1, 2, 3 or 4.
- On the paper 1500 form, the GY modifier can be found in field 24D.
- On the paper UB04 form, the GY modifier can be found in field 44.
- On the 837P, the GY modifier is found at level 2400, Service Line Loop in SV101-3, SV101-4, SV101-5 or SV101-6.
- On the 837I, the GY modifier is found at level 2400, Service Line Loop in

SV202-3, SV202-4, SV202-5 or SV202-6.

Who do I contact if I have questions?

If you have questions, please contact your Network Contract Specialist.

