



ISSUE DATE March 20, 2012	EFFECTIVE DATE April 1, 2012	NUMBER 24-12-24, 25-12-01
SUBJECT Removal of NU Pricing Modifier From Procedure Codes for Oxygen Contents		BY  Vincent D. Gordon, Deputy Secretary Office of Medical Assistance Programs

PURPOSE:

The purpose of this bulletin is to notify providers that the Medical Assistance (MA) Program is end-dating the NU pricing modifier for procedure codes for oxygen contents, effective with dates of service on or after April 1, 2012.

SCOPE:

This bulletin applies to MA Program enrolled medical suppliers and pharmacies who provide services to MA recipients in the Fee-for-Service delivery system, including ACCESS Plus. Medical suppliers and pharmacies who provide services to MA recipients in the Managed Care delivery system should address any billing and payment related questions to the appropriate managed care organization.

BACKGROUND:

Under the former claims processing system, Medical Assistance Management Information System (MAMIS), the Type of Service (TOS) was used with procedure codes when submitting claims for payment to the MA Program. When the Department of Public Welfare (Department) changed from MAMIS to the Provider Reimbursement and Operations Management Information System (PROMISe™) claims system, pricing and informational modifiers replaced the TOS used under MAMIS, as noted in MA Bulletin 99-04-04, titled "Billing of Local Codes through PROMISe™" issued February 25, 2004, and effective March 1, 2004. The MA Program cross-walked TOS "9P" to a national modifier, NU, a pricing modifier for new equipment. TOS "9P" was used to identify the purchase of durable medical equipment (DME) and was erroneously added to the procedure codes for oxygen contents, which are considered a medical supply. In MA Bulletin 99-04-13, titled "Postponed Implementation of National Procedure Codes" issued October 29, 2004, and effective November 1, 2004, providers were instructed to bill the MA Program using the local or national procedure code and specific modifiers.

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

The appropriate toll free number for your provider type

Visit the Office of Medical Assistance Programs Web site at
<http://www.dpw.state.pa.us/provider/healthcaremedicalassistance/index.htm>

Currently, under the MA Program, medical suppliers and pharmacies must submit claims for oxygen contents using the applicable national procedure code and the NU pricing modifier. Medicare does not require medical suppliers to use the NU pricing modifier on procedure codes for oxygen contents. Since the Department requires the NU pricing modifier on claims for oxygen contents, Medicare intermediary carrier crossover claims that are submitted to the MA Program for Medicare cost sharing payment deny on error status code (ESC) 4231, which is defined as "Procedure must be billed directly to Medical Assistance". This edit sets when a claim is submitted with a procedure code and/or modifier combination that does not match what is listed on the MA Program Fee Schedule for that service or item.

The Department is end-dating the NU modifier from the following procedure codes for oxygen contents, effective with dates of service on or after April 1, 2012:

- **E0441** - Oxygen Contents, Gaseous (For Use With Owned Gaseous Stationary Systems Or When Both A Stationary And Portable Gaseous System Are Owned),
- **E0442** - Oxygen Contents, Liquid (For Use With Owned Liquid Stationary Systems Or When Both A Stationary And Portable Liquid System Are Owned),
- **E0443** - Portable Oxygen Contents, Gaseous (For Use Only With Portable Gaseous Systems When No Stationary Gas Or Liquid System Is Used), and
- **E0444** - Portable Oxygen Contents, Liquid (For Use Only With Portable Liquid Systems When No Stationary Gas or Liquid System Is Used).

This change will allow the MA Program to process Medicare intermediary carrier crossover claims for oxygen contents and pay cost sharing, as applicable.

PROCEDURE:

Effective with dates of service on or after April 1, 2012, medical suppliers and pharmacies are instructed to submit claims for oxygen contents without the NU pricing modifier.

Medicare intermediary carrier crossover claims with dates of service on and after January 1, 2009, through March 31, 2012, for procedure codes E0441, E0442, E0443 and E0444 that denied on ESC 4231, will be reprocessed by the MA Program. Medical suppliers and pharmacies are reminded reprocessing of a claim is not a guarantee of payment.

The MA Program Fee Schedule was updated to reflect the removal of the NU pricing modifier from the oxygen content procedure codes. The MA Program Fee Schedule may be viewed by accessing the following website link:

<http://services.dpw.state.pa.us/olddpw/OutpatientFeeSchedule.aspx>.

Medical suppliers and pharmacies are to follow their provider Billing Guide instructions when submitting claims for medical supplies to the MA Program. The Medical Supplier and Pharmacy Billing Guides may be viewed by accessing the following website link:
<http://www.dpw.state.pa.us/publications/forproviders/promiseproviderhandbooksandbillingguides/index.htm>.