
Program Memorandum Carriers

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

Transmittal B-03-051

DATE: JULY 16, 2003

CHANGE REQUEST 2849

SUBJECT: Therapy Modifier Bypass for Ambulance Claims

This Program Memorandum (PM) directs the Common Working File (CWF) to bypass therapy edits for ambulance claims with GP and GN modifiers.

Background

Section 4541(a)(2) of the Balanced Budget Act (BBA) (P.L. 105-33) of 1997, required payment under a prospective payment system for outpatient rehabilitation services. Outpatient rehabilitation services include the following services:

- Physical therapy (which includes outpatient speech-language pathology); and
- Occupational therapy.

Section 4541(c) of the BBA required application of a financial limitation to all outpatient rehabilitation services (with the exception of outpatient departments of a hospital). These limits were removed in 2000-2002, but beginning September 1, 2003, they will be implemented again.

The CWF will be tracking the financial limitation based on presence of therapy modifiers GN, GO, and GP, therefore, providers/suppliers must continue to report one of these modifiers for any therapy service that is provided.

Bypass for Ambulance Claims

The Healthcare Common Procedural Coding System contains a list of single-character alpha codes. Combining two alpha characters (for origin and destination) creates modifiers that are used on claims for ambulance services. Code combinations GN and GP are commonly used as modifiers on claims for ambulance services, and could potentially be confused with modifiers GN and GP used in billing for therapy. The therapy edits in the CWF that track the financial limitations are being applied to claims for ambulance services that include a GN or GP modifier, causing those ambulance claims to be rejected inappropriately. Therefore, the CWF shall make systems changes to bypass the edits used for claims with therapy modifiers (GN, GP and GO) when the claim also contains the information: Specialty 59, denoting ambulance claim.

The effective date for this PM is September 1, 2003.

The implementation date for this PM is September 1, 2003

These instructions should be implemented within your current operating budget.

This PM may be discarded after September 1, 2005

If you have any questions, contact your local regional office.

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