

	<b>Reimbursement Policy Manual</b>		Policy #:	RPM059
<b>Policy Title:</b>	<b>Radiology Reductions for Technology Type - Modifiers FX and FY</b>			
<b>Section:</b>	<b>Modifiers</b>	<b>Subsection:</b>	<b>Radiology</b>	
<b>Scope:</b> This policy applies to the following Medical (including Pharmacy/Vision) plans:				
<b>Companies:</b>	<input checked="" type="checkbox"/> All Companies: Moda Partners, Inc. and its subsidiaries & affiliates <input type="checkbox"/> Moda Health Plan <input type="checkbox"/> Moda Assurance Company <input type="checkbox"/> Summit Health Plan <input type="checkbox"/> Eastern Oregon Coordinated Care Organization (EOCCO) <input type="checkbox"/> OHSU Health IDS			
<b>Types of Business:</b>	<input checked="" type="checkbox"/> All Types <input type="checkbox"/> Commercial Group <input type="checkbox"/> Commercial Individual <input type="checkbox"/> Commercial Marketplace/Exchange <input type="checkbox"/> Commercial Self-funded <input type="checkbox"/> Medicaid <input type="checkbox"/> Medicare Advantage <input type="checkbox"/> Short Term <input type="checkbox"/> Other: _____			
<b>States:</b>	<input checked="" type="checkbox"/> All States <input type="checkbox"/> Alaska <input type="checkbox"/> Idaho <input type="checkbox"/> Oregon <input type="checkbox"/> Texas <input type="checkbox"/> Washington			
<b>Claim forms:</b>	<input checked="" type="checkbox"/> CMS1500 <input checked="" type="checkbox"/> CMS1450/UB (or the electronic equivalent or successor forms)			
<b>Date:</b>	<input type="checkbox"/> All dates <input checked="" type="checkbox"/> Specific date(s): July 1, 2018 and following <input type="checkbox"/> Date of Service; For Facilities: <input type="checkbox"/> n/a <input type="checkbox"/> Facility admission <input type="checkbox"/> Facility discharge <input checked="" type="checkbox"/> Date of processing			
<b>Provider Contract Status:</b>	<input checked="" type="checkbox"/> Contracted directly, any/all networks <input checked="" type="checkbox"/> Contracted with a secondary network <input checked="" type="checkbox"/> Out of Network			
Originally Effective:	7/1/2018	Initially Published:	8/17/2018	
Last Updated:	1/6/2023	Last Reviewed:	5/8/2024	
Last update includes payment policy changes, subject to 28 TAC §3.3703(a)(20)(D)? No				
Last Update Effective Date for Texas:		1/11/2023		

## Reimbursement Guidelines

### A. General

We follow CMS in applying reductions for type of technology used in radiology services.

As required by CMS, we ensure that reimbursement for Medicare Advantage claims to out-of-network providers accepting Medicare is at least as good as Original Medicare reimbursement.

### B. Modifier FX

Modifier FX designates X-ray imaging services that are taken using traditional x-ray film rather than digital radiography. Claims for X-rays using film are to include modifier FX.

1. Facility claims submitted on CMS1450/UB claim forms are billing for the technical component of the radiology service. When modifier FX is submitted (CMS<sup>8</sup>):
  - a. For dates of service January 1, 2017 through December 31, 2017, reimbursement will be at 80% of the allowable amount (20% reduction).

- b. For dates of service January 1, 2018 through December 31, 2022, reimbursement will be at 93% of the allowable amount (7% reduction).
  - c. For dates of service January 1, 2023 and following, reimbursement will be at 90% of the allowable amount (10% reduction).
2. For professional claims submitted on CMS1500 claim forms, and all dates of service (CMS<sup>2</sup>):
- a. When modifier FX is submitted with modifier TC (technical component), reimbursement will be at 80% of the TC allowable amount (20% reduction of technical component).
  - b. When modifier FX is submitted for a global service, reimbursement will be at 86% of the global service allowable.

### C. Modifier FY

Modifier FY designates imaging services that are X-rays taken using computed radiography (including the X-ray component of a packaged service). (CMS<sup>3</sup>) Claims submitted by a provider, supplier, or hospital outpatient department for imaging services using this technology, are to indicate this by appending modifier FY to the line item(s) for the applicable service(s).

1. Facility claims submitted on CMS1450/UB claim forms are billing for the technical component of the radiology service. When modifier FY is submitted (CMS<sup>9</sup>):
- a. For dates of service January 1, 2017 through December 31, 2017, reimbursement will be at 80% of the allowable amount (20% reduction).
  - b. For dates of service January 1, 2018 through December 31, 2022, reimbursement will be at 93% of the allowable amount (7% reduction).
  - c. For dates of service January 1, 2023 and following, reimbursement will be at 90% of the allowable amount (10% reduction).
2. For professional claims submitted on CMS1500 claim forms, and all dates of service (CMS<sup>3, 4, 7</sup>):
- d. For dates of service January 1, 2017 through December 31, 2017, reimbursement will be:
    - i. When modifier FY is submitted with modifier TC (technical component), reimbursement will be at 80% of the TC allowable amount (20% reduction of technical component).
    - ii. When modifier FY is submitted for a global service, reimbursement will be at 86% of the global service allowable (20% reduction of technical component portion of global).
  - e. For dates of service January 1, 2018 through December 31, 2022, reimbursement will be:
    - i. When modifier FY is submitted with modifier TC (technical component), reimbursement will be at 93% of the TC allowable amount (7% reduction of technical component).
    - ii. When modifier FY is submitted for a global service, reimbursement will be at 5% of the global service allowable (7% reduction of technical component portion of global).
  - f. For dates of service January 1, 2023 and following, reimbursement will be:
    - i. When modifier FY is submitted with modifier TC (technical component), reimbursement will be at 90% of the TC allowable amount (10% reduction of technical component).

- ii. When modifier FY is submitted for a global service, reimbursement will be at 7% of the global service allowable (10% reduction of technical component portion of global).

**D. Multiple X-Ray Modifiers On The Same Line**

1. When multiple X-ray pricing/reduction modifiers are reported on the same line, both pricing adjustments are applied. (CMS<sup>4</sup>)
2. The FY modifier reduction will be applied after the other reduction. For example, lines billed with both FX and FY modifier will have the FX modifier reduction applied first, and then the FY reduction is applied.

**Codes, Terms, and Definitions**

Acronyms & Abbreviations Defined

Acronym or Abbreviation		Definition
AMA	=	American Medical Association
ASO	=	Administrative Services Only
CCI	=	Correct Coding Initiative (see "NCCI")
CMS	=	Centers for Medicare and Medicaid Services
CPT	=	Current Procedural Terminology
DRG	=	Diagnosis Related Group (also known as/see also MS DRG)
HCPCS	=	Healthcare Common Procedure Coding System (acronym often pronounced as "hick picks")
HIPAA	=	Health Insurance Portability and Accountability Act
MPFSDB	=	(National) Medicare Physician Fee Schedule Database (aka RVU file)
MS DRG	=	Medicare Severity Diagnosis Related Group (also known as/see also DRG)
NCCI	=	National Correct Coding Initiative (aka "CCI")
RPM	=	Reimbursement Policy Manual (e.g., in context of "RPM052" policy number, etc.)
RVU	=	Relative Value Unit
TC	=	Technical Component
UB	=	Uniform Bill

## Definition of Terms

Term	Definition
Computed radiography technology	Cassette-based imaging which utilizes an imaging plate to create the image involved. (CMS <sup>3</sup> )

## Modifier Definitions:

Modifier	Modifier Description & Definition
Modifier FX	X-ray taken using film
Modifier FY	X-ray taken using computed radiography technology/cassette-based imaging

## Coding Guidelines & Sources - (Key quotes, not all-inclusive)

“For claims billed with the FY modifier and another X-ray reduction modifier on the same line, contractors shall apply both reductions if applicable. The FY modifier reduction will be applied after the other reduction (for example, claims billed with both FX and FY modifier will have the FX modifier reduction applied first).” (CMS<sup>4</sup>)

## Cross References

None.

## References & Resources

1. CMS. “Payment Reduction for X-Rays Taken Using Film.” CMS Transmittal 3583/CR9727. August 12, 2016; Last accessed January 6, 2023. <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3583CP.pdf> .
2. CMS. “Payment Reduction for X-Rays Taken Using Film.” MedLearn Matters MM9727. January 1, 2017; Last accessed January 6, 2023. <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM9727.pdf> .
3. CMS. “Payment Reduction for X-Rays Taken Using Computed Radiography.” CMS Transmittal 3820. Original publication July 28, 2017. Re-communicated November 21, 2017. Last accessed January 6, 2023. Page 3, § I.B; Pages 3-5, § II, # 10188.1 – 10188.6. <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R3820CP.pdf> .
4. CMS. “Payment Reduction for X-Rays Taken Using Computed Radiography.” MedLearn Matters MM10188. January 1, 2018. <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM10188.pdf> .
5. CMS. *Medicare Claims Processing Manual* (Pub. 100-4). Chapter 13 – Radiology Services and Other Diagnostic Procedures, § 20.2.4.

6. CMS. *Medicare Claims Processing Manual* (Pub. 100-4). Chapter 13 – Radiology Services and Other Diagnostic Procedures, § 20.2.5.
7. CMS. *Medicare Claims Processing Manual* (Pub. 100-4). Chapter 13 – Radiology Services and Other Diagnostic Procedures, § 20.2.6.
8. CMS. *Medicare Claims Processing Manual* (Pub. 100-4). Chapter 4 – Part B Hospital (Including Inpatient Hospital Part B and OPSS), § 20.6.14.
9. CMS. *Medicare Claims Processing Manual* (Pub. 100-4). Chapter 4 – Part B Hospital (Including Inpatient Hospital Part B and OPSS), § 20.6.15.

## **Background Information**

Effective January 1, 2017, CMS instituted a payment reduction for modifier FX as an incentive to move from traditional film imaging to digital radiography. Effective January 1, 2018, CMS instituted a payment reduction for modifier FY as an incentive to move from X-rays taken using computed radiography (including the X-ray component of a packaged service) to digital radiography.

Effective July 1, 2018, we follow these CMS policies as a part of our efforts to more closely align and standardize our processing with CMS policy.

## **IMPORTANT STATEMENT**

The purpose of this Reimbursement Policy is to document our payment guidelines for those services covered by a member's medical benefit plan. Healthcare providers (facilities, physicians, and other professionals) are expected to exercise independent medical judgment in providing care to members. Our Reimbursement Policy is not intended to impact care decisions or medical practice.

Providers are responsible for submission of accurate claims using valid codes from HIPAA-approved code sets and for accurately, completely, and legibly documenting the services performed. Billed codes shall be fully supported in the medical record and/or office notes. Claims are to be coded appropriately according to industry standard coding guidelines (including but not limited to UB Editor, AMA, CPT, CPT Assistant, HCPCS, DRG guidelines, CMS' National Correct Coding Initiative [CCI] Policy Manual, CCI table edits and other CMS guidelines).

Benefit determinations will be based on the member's medical benefit plan. Should there be any conflicts between our Reimbursement Policy and the member's medical benefit plan, the member's medical benefit plan will prevail. Fee determinations will be based on the applicable provider fee schedule, whether out of network or participating provider's agreement, and our Reimbursement Policy.

Policies may not be implemented identically on every claim due to variations in routing requirements, dates of processing, or other constraints; we strive to minimize these variations.

\*\*\*\*\* The most current version of our reimbursement policies can be found on our provider website. If you are using a printed or saved electronic version of this policy, please verify the information by going to [https://www.modahealth.com/medical/policies\\_reimburse.shtml](https://www.modahealth.com/medical/policies_reimburse.shtml) \*\*\*\*\*

## Policy History

Date	Summary of Update
5/8/2024	Annual Review: Last Reviewed date updated. No content changes.
1/11/2023	Clarification/Update Updated payment discount amounts based on claim type and date of service to be consistent with CMS policy documentation. Footnotes included. References & Resources: 2 entries added.
12/14/2022	Formatting/Update Scope, States: Idaho added.
6/8/2022	Formatting/Update: Change to new header. Acronym table: 5 entries added. Policy History section: Added. Entries prior to 2022 omitted (in archive storage).
8/17/2018	Policy initially approved by the Reimbursement Administrative Policy Review Committee & initial publication.
7/1/2018	Original Effective Date (with or without formal documentation). Policy based on CMS policy for modifiers FX and FY.