MODIFIERS AND INDICATORS IN OPHTHALMIC DIAGNOSTIC TESTING: A COMPENDIUM

A comprehensive review of common modifiers, indicators, and descriptors used in the payment of diagnostic tests.

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Most ophthalmologists and their staffs have difficulty mastering the maze of modifiers, indicators, and terminology used in determining Medicare payment for ophthalmic diagnostic tests. This article reviews the various modifiers, indicators, and descriptors that Medicare uses to identify and engender payment for diagnostic tests.

TOOLS OF THE TRADE

There are two main sources of information necessary for determining payments for diagnostic testing. The first is the American Medical Association book *CPT Professional Edition*.[1] The CPT book provides the full code descriptions, notes whether payment will be rendered for each eye separately or together, and describes other requirements for a given code, such as the mandate for an interpretation and report.

The second source is the Medicare Physician Fee Schedule Database (MPFSDB), which can be found at: bit.ly/FeeSched16. The column designated "Bilateral Surg" in the spreadsheet contains a numerical reference (0, 1, 2, 3, or 9) that indicates different payment policies for surgeries and diagnostic tests. The Table on the next page lists the payment explanations for the unilateral/bilateral designations in the MPFSDB. The indicator in the bilateral surgery column determines whether a given diagnostic test CPT code is paid unilaterally or bilaterally. Note that the bilateral surgery indicator column contains indicators that are used for surgical procedures and diagnostic tests; however, *only indicators 2 and 3 are actually used for diagnostic tests*.

MORE ON UNILATERAL AND BILATERAL DESIGNATIONS

An ophthalmic diagnostic test is commonly referred to as *unilateral* when each eye or side tested is paid separately and as *bilateral* when the payment encompasses performance of the test on both eyes or sides.

CPT is arranged so that a code is followed by a descriptor that starts with a capital letter. All information before the semicolon in that descriptor is considered included in subsequent, uncapitalized, indented code or codes and is part of the descriptors in those codes. Thus, a typical pair of entries looks like this:

92133 Scanning computer diagnostic imaging, posterior segment, with interpretation and report, unilateral or bilateral; optic nerve
92134 retina

As you can see, code 92134 in the CPT book is indented under 92133 and simply states "retina," but it is read as follows: Scanning computer diagnostic imaging, posterior segment, with interpretation and report, unilateral or bilateral; retina.

Notes:

- If a code contains the wording "unilateral or bilateral," then the provider will be paid the same amount whether one or both sides are tested. If there is no "unilateral or bilateral" designation, then Medicare reverts to the bilateral surgery indicator found in the MPFSDB for determination of payment.
- CPT code 92134 indicates "unilateral or bilateral," meaning that the provider is paid the same amount whether one or both eyes are tested.
- By contrast, CPT code 76512 reads: Ophthalmic ultrasound, diagnostic; B-scan (with or without superimposed nonquantitative A-scan). This code does not specify "unilateral or bilateral," and it is paid according to the indicator in the MPFSDB. The indicator is 3, signifying that each side will be paid 100% of the Medicare fee schedule allowed amount for that code.

TABLE. MPFSDB: PAYMENT INDICATORS FOR BILATERAL SERVICES

Indicator	CMS Directions for Payment Calculations	Comments
0	Payment adjustment does not apply	No ophthalmic diagnostic tests have this indicator
1	Valid for bilateral billing. Payment is based on the lower of the billed amount or 150% of the Medicare fee schedule allowed amount	No ophthalmic diagnostic tests have this indicator
2	The RVUs are based on the service being a bilateral procedure because: the code descriptor specifically states that the procedure is bilateral the code descriptor states that the procedure may be performed either unilaterally or bilaterally the procedure is usually performed as a bilateral procedure Payment is 100% of the Medicare fee schedule amount	Most ophthalmic diagnostic tests have this indicator Instructions state not to submit the claim using modifier 50 because the codes are already established as being performed bilaterally
3	The usual payment adjustment for bilateral procedures does not apply. If the procedure is reported with modifier 50 or is reported for both sides on the same day by any other means (eg, with RT and LT modifiers or with a "2" in the units field), base the payment for each side or organ or site of a paired organ on the lower of (A) the actual charge for each side or (B) 100% of the fee schedule amount for each side. Services in this category are generally radiology procedures or other diagnostic tests that are not subject to the special payment rules for other bilateral surgeries.	Applies to the following ophthalmic testing CPT codes: - Ophthalmic ultrasound CPT codes 76510 through 76529 - 92225, 92226 (Extended ophthalmoscopy) - 92230, 92235, 92240 (Fluorescein and indocyanine green)* - 92136-26 Professional component of A-scan biometry ***Scheduled to change to "2" in 2017**
9	Concept does not apply	

MODIFIER 50 VS. RIGHT AND LEFT MODIFIERS

One of the most common causes of claim rejections is the improper use of modifier 50 versus the use of right (RT) and left (LT) modifiers. For *surgical procedures*, Medicare states that modifier 50 should be used rather than the RT and LT modifiers because of the Medically Unlikely Edits. However, there are instances when the eyelid modifiers (E1, E2, E3, and E4) can be used. For *diagnostic tests*, either modifier 50 or the RT and LT modifiers may be used.

Do's and Don'ts for Diagnostic Tests

- **Do** use modifier 50 when performing bilateral tests *only* if the MPFSDB bilateral surgery indicator is 3.
- **Do** use the RT and LT modifiers when performing bilateral tests *only* if the MPFSDB bilateral surgery indicator is 3.
- **Do** use one of the above choices depending on your Medicare Administrative Contractor's claim processing instructions.
- **Do not** use modifier 50 with a procedure code that is described as *bilateral*, or *unilateral or bilateral*, in its CPT description.
- **Do not** report a bilateral service on two lines of service by appending modifier 50 to the second line of service.

MODIFIER 52 AS APPLIED TO DIAGNOSTIC TESTS

According to CPT, modifier 52 signifies that the service performed is reduced from what is normally done. This modifier is used to indicate that a service is reduced when (A) it is performed on only one side and (B) the payment is normally based on payment for testing of both sides.

For example, consider fundus photography performed on only one eye. CPT code 92250 does not contain the unilateral or bilateral descriptor, and payment is based on both sides being tested. Thus, if only one side is tested, this is considered a reduced service. Modifier 52 is not used when the phrase *unilateral or bilateral* is included in the descriptor.

CLINICAL EXAMPLES

Although medical necessity remains the primary requirement for any diagnostic test, this determination is not without issues. One issue involves the legitimacy of billing for a second side on unilateral tests, such as extended ophthalmoscopy, in the absence of symptoms or findings pertaining to that eye. Another issue involves trading off billing one test for another (eg, fundus photography for optical coherence tomography [OCT]) in order to capitalize on the financial differential.[2]

Extended Ophthalmoscopy

92225 Ophthalmoscopy, extended, with retinal drawing (eg, for retinal detachment, melanoma), with interpretation and report; initial

92226 subsequent

The first apparent difference in the definitions above is the use of the words "initial" and "subsequent" in the two

codes. The difference is not related to the status of the patient as a new or established patient; rather, CPT code 92225 is used to code when the patient is being examined for the first time for a specific condition, whereas CPT code 92226 is used for coding subsequent examinations of the same patient for the same condition. It is quite possible that an initial service (92225) may be coded more than once for a given patient.

Also of note, both codes have a bilateral surgery indicator of 3, meaning that the provider will be paid 100% of the Medicare fee schedule allowed amount for each eye. This is also true for fluorescein angiography and indocyanine green angiography; *however, next year these are scheduled to be paid as unilateral/bilateral tests, resulting in the indicator reverting to 2.*

OCT

The CPT description for OCT (92134) for the retina was given above in the discussion of "unilateral or bilateral." It does contain the phrase "unilateral or bilateral," with a bilateral surgery indicator of 2, and it is therefore billed only once regardless of whether one or both sides are tested. Do not use modifier 52 when only one side is tested. Caution is also warranted when billing fundus photography in lieu of OCT because age-related macular degeneration treatment is based on the results of OCT; thus, it is OCT, not fundus photography, for which there is medical necessity.

Fundus Photography

92250 Fundus photography with interpretation and report

Fundus photography has a bilateral surgery indicator of 2 and does not contain the designation "unilateral or bilateral" in the descriptor. Therefore, if only one eye is documented, then use of modifier 52 (reduced services) is appropriate.

Ophthalmic and Orbital Ultrasound

CPT codes for ophthalmic and orbital ultrasound (76510 through 76513, 76529) do not have any descriptor designation for laterality. The bilateral surgery indicator for each one is 3; thus, each side can be coded separately, as long as there is medical necessity for testing each side. ■

1. *CPT 2016 Professional Edition*. Chicago, IL: American Medical Association; 2016.
2. Asbell RL. Medical necessity for AMD diagnostic testing. *Retina Today*. 2015;10(8):32-34.

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