



State of New Jersey  
Department of Human Services  
Division of Medical Assistance and Health Services

# MEDICAID ALERT

May 1992

TO: Medical Suppliers

SUBJECT: Use of MODIFIER XE

BACKGROUND: The Division of Medical Assistance and Health Services, in response to concerns expressed by providers of medical supplies and durable medical equipment, has recently instituted Modifier XE for use by these providers in certain situations. The Modifier XE is to allow providers to bill Medicaid directly without having to bill Medicare first.

ACTION: Providers are instructed to affix Modifier XE to the HCPCS procedure code, in addition to other appropriate modifiers (NU, UE, RP, LL, RR), when the service provided to the Medicare/Medicaid recipient is considered by Medicare to be non-reimbursable. It is the responsibility of the provider to use XE only when appropriate. Inappropriate use of XE will cause the Division to reconsider its applicability within the New Jersey Medicaid Management Information System (NJMMIS).

Please note: The Modifier XE is not to be used when billing Medicaid for those items or services that are never reimbursable by Medicare, e.g., diapers.

Other services that are usually reimbursable are, on occasion, not covered by Medicare, e.g., a customized wheelchair for use by a patient in a long term care facility. In this instance, and in similar situations, the use of XE is appropriate.

Claims for services billed to Medicaid and identified by a HCPCS procedure code and modifier XE will be processed without the required Explanation Of Medicare Benefits Notice. It is to be stressed that inappropriate use of the Modifier XE will give the Division reason to review the use and availability of this modifier.

Please direct questions regarding this issue to Chief, Pharmacy Consultant, at (609) 588-2724.