



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

# MEDICAID ALERT

June 1992

**TO:** Providers of Prosthetics and Orthotics

**SUBJECT:** Use of **MODIFIER XE** on 1500 N.J. Claim Form

**BACKGROUND:** The Division of Medical Assistance and Health Services in response to concerns expressed by providers of prosthetics and orthotics, has recently instituted the **Modifier XE** for use in certain situations. The **Modifier XE** allows 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, when the service provided to the Medicare/Medicaid recipient is considered by **Medicare** to be non-reimbursable. Example: L3201XE. 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.

Services that are usually reimbursable are, on occasion, not covered by Medicare. In these instances, the use of **XE** is appropriate.

Claims for services billed to Medicaid and identified by a HCPCS 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 the Prosthetics and Orthotics Consultant, at (609) 588-2739.

RETAIN THE MEDICAID ALERT AT THE END OF YOUR FISCAL AGENT BILLING SUPPLEMENT