



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

MEDICAID ALERT

May 1993

TO: Medical Suppliers

SUBJECT: Clarification of Proper Modifier Use for Medical Supply and Durable Medical Equipment (DME) Claims

EFFECTIVE: Immediately

BACKGROUND: The New Jersey Medicaid program has identified certain situations in which medical suppliers have received duplicate payment for purchases of medical supplies and DME. These duplicate payments have occurred due to the inconsistent use of HCFA Common Procedure Coding System (HCPCS) modifiers on claims billed to the Medicaid program. Proper use of HCPCS procedure code modifiers is described below.

ACTION: For all medical supply claims and durable medical equipment claims submitted to the Medicaid program, including claims submitted for Garden State Health Plan members, an acceptable modifier **must** be attached to the HCPCS procedure code being billed. The acceptable modifier which must be billed to the Medicaid program, where appropriate, shall include:

MODIFIER	DEFINITION
"NU"	Purchase - medical supply or new durable medical equipment
"UE"	Purchase - used durable medical equipment
"RR"	Rental - durable medical equipment
"XE"	Purchase or rental - Medicare coverage override

NOTE: For further direction regarding appropriate use of modifier "XE", please refer to the Medicaid Alert dated May 1992.

All claims billed to the Medicaid program for medical supplies and durable medical equipment without an acceptable modifier or claims submitted with combined modifier usage, other than in combination with "XE", such as "NURR" or "UERR" may experience a delay in payment or may be denied.

If you have any questions concerning this alert, please contact the Chief, Pharmaceutical Services at (609) 588-2724.

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