

# Payment Reduction for X-Rays Taken Using Computed Radiography

## December 01, 2017

Beginning January 1, 2018, and including Calendar Years (CY) 2018-2022, a payment reduction of 7 percent applies to the technical component (and the technical component of the global fee) for computed radiography services that would otherwise be made under the Physician Fee Schedule (PFS).

Similarly, if such X-ray services are furnished during CY 2023 or a subsequent year, a payment reduction of 10 percent applies to the technical component (and the technical component of the global fee) for computed radiography services. Make sure that your billing staff is aware of these changes.

New paragraph 1848 (b)(9) of the Social Security Act (SSA) provides that payments for imaging services that are X-rays taken using computed radiography (including the technical component portion of a global service) furnished during Calendar Year (CY) 2018, 2019, 2020, 2021, or 2022, that would otherwise be made under the Medicare Physician Fee Schedule (MPFS) (without application of subparagraph (B)(i) and before application of any other adjustment), be reduced by 7 percent, and similarly, if such X-ray services are furnished during CY 2023 or a subsequent year, by 10 percent. Refer to Noridian

Computed radiography MLN Matters MM10188 Related CR 10188 Page 2 of 3 technology is defined for purposes of this paragraph as cassette-based imaging which utilizes an imaging plate to create the image involved.

The statutory provision requires that information be provided and attested to by a supplier and a hospital outpatient department that indicates whether an applicable CR service was furnished, and that such information may be included on a claim and may be a modifier.

The statutory provision also provides that such information will be verified, as appropriate, as part of the periodic accreditation of suppliers under SSA Section 1834(e) ([https://www.ssa.gov/OP\\_Home/ssact/title18/1834.htm](https://www.ssa.gov/OP_Home/ssact/title18/1834.htm)) and hospitals under SSA Section 1865(a) ([https://www.ssa.gov/OP\\_Home/ssact/title18/1865.htm](https://www.ssa.gov/OP_Home/ssact/title18/1865.htm)). Any reduced expenditures resulting from this provision are not budget neutral. To implement this provision, the Centers for Medicare & Medicaid Services (CMS) created modifier FY (Computed radiography services furnished).

Beginning in 2018, claims for computed radiography services that are furnished for X-rays must include modifier FY that will result in the applicable payment reduction. MACs will use the following messages when adjusting computed radiography claim lines that have been reported with the FY modifier:

- Remittance Advice Remark Code (RARC) N794 - Payment adjusted based on type of technology used
- Claim Adjustment Reason Code (CARC) CARC 237 - Legislated/Regulatory Penalty
- Group Code - CO

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).