

# Payment Policy

cmi\_057519

<b>Title</b>	<b>Modifier SU-Procedure Performed in Physician's Office (Facility and Equipment)</b>		
<b>Number</b>	<b>CP.PP.365.v2.1</b>		
<b>Last Approval Date</b>	06/11/24	<b>Original Effective Date</b>	07/21/08
<b>Replaces</b>	N/A		
<b>Cross Reference</b>	N/A		

Coverage of any service is determined by a member's eligibility, benefit limits for the service or services rendered and the application of the Plan's Medical Policy. Final payment is subject to the application of claims adjudication edits common to the industry and the **Plan's professional or facility services claims coding policies**. Reimbursement is restricted to the provider's scope of practice as well as the fee schedule applicable to that provider.

<b>Purpose</b>	To define when the Plan recognizes services appended with modifier SU that are submitted on a CMS-1500 paper claim form or an 837P electronic claim form.
<b>Scope</b>	Applies to all Premera Blue Cross, Premera Blue Cross Blue Shield of Alaska, LifeWise Health Plan of Washington, LifeWise Assurance Company and Premera Blue Cross HMO lines of business and products.
<b>Policy</b>	<p>The Plan recognizes modifier SU when appended to a service to indicate a procedure performed in a physician's office to reflect additional cost for use of facility and equipment (e.g., supplies, staff, costs associated with running an office...).</p> <p>Use of office facilities and equipment are considered included in the practice expense of the relative value units for a service(s) or procedure(s) performed in the office setting and are not separately reimbursable.</p> <p>Modifier SU should not be applied to any procedure code billed with place of service 11. The Plan does not reimburse any procedure code billed with modifier SU in an office setting.</p>
<b>Violations of Policy</b>	<p>Violations of this policy by any party that enters into a written arrangement with the Plan may result in increased auditing and monitoring, performance guarantee contractual penalties and/or termination of the contract. Disciplinary actions will be determined at the Plan's sole discretion.</p> <p>Violations of this policy may be grounds for corrective action, up to and including termination of employment.</p>
<b>Exceptions</b>	None
<b>Laws, Regulations &amp; Standards</b>	None
<b>References</b>	<ul style="list-style-type: none"> <li>American Medical Association's Current Procedural Terminology (AMA/CPT) codebook</li> <li>Centers for Medicare and Medicaid Services (CMS) National Physician Fee Schedule (NPFS)</li> <li>Centers for Medicare and Medicaid Services (CMS) Healthcare Common Procedure Coding System, Level II Codes</li> </ul>

<b>Policy Owner Review</b>	Payment Integrity Oversight Committee	
<b>Contact</b>	Any questions regarding the contents of this policy or its application should be directed to the Payment Integrity Department.	
<b>Annual Review Dates</b>	06/11/24; 07/07/23; 08/18/22; 09/22/21; 10/06/20; 10/30/19; 11/02/18; 12/04/17; 12/12/16; 01/08/16; 01/11/15; 01/12/14; 01/13/13; 01/26/12; 01/27/11; 03/04/10; 05/11/09	
<b>Version History</b>	11/02/18	Annual review; no changes
	10/30/19	Minor clarifications to the Policy statement. Added third paragraph.
	10/06/20	Clarified the Purpose statement to indicate that the policy pertains to Professional services billed on a CMS-1500 or 837P claim forms
	09/22/21	Annual review; no changes
	08/18/22	Annual review; no changes
	07/07/23	Annual review; no changes
	06/11/24	Clarified the policy statement to include examples of facility services and details to indicate modifier SU is not allowed with POS 11.