Commonwealth of Massachusetts
Executive Office of Health and Human Services
Division of Medical Assistance
600 Washington Street
Boston, MA 02111
www.mass.gov/dma

MassHealth
Outpatient Hospital Bulletin 47
January 2004

TO: Outpatient Hospitals Participating in MassHealth

FROM: Beth Waldman, Acting Commissioner Beth Waldman

RE: **Billing for Physician Services with a Professional and a Technical Component**

Reminder

This bulletin is a reminder to acute outpatient hospitals and hospital-licensed health centers about billing for radiology, surgical pathology, medical diagnostic, and some surgical services provided by hospital-based physicians and hospital-based entities. These specific services comprise both a technical and a professional component. Hospitals may bill *only* the professional component of the service, because the technical component is included in the payment amount per episode (PAPE) payment.

Billing

When billing for physician services that have both a technical and a professional component (either electronically or on the no. 5 paper claim form), hospitals must append modifier 26 to the appropriate service code. Claims with service codes that require use of modifier 26 that are billed without it will be denied with error code 135 ("modifier required"). On the HIPAA-compliant 835 remittance advice transaction, this denial will be reflected as an adjustment reason code 04, and remarks code M78.

For a listing of services with both a technical and a professional component, refer to the Division of Health Care Finance and Policy regulations at 114.3 CMR 16.00, 17.00, and 18.00, which can be found at *http://www.mass.gov/dhcfp*.

Questions

If you have any questions about this bulletin, please contact MassHealth Provider Services at 617-628-4141 or 1-800-325-5231.