

October 27, 2016

Submitting Claims for Services: Possible Changes due to Section 1557 of the Affordable Care Act

Presbyterian Health Plan, Inc. and Presbyterian Insurance Company, Inc. (Presbyterian) are committed to keeping you updated about changes that may affect your organization. We would like to share some information about how Presbyterian per guidance from the Centers for Medicare & Medicaid Services (CMS) will comply with the Patient Protection and Affordable Care Act (ACA) Section 1557 updates in the non-discrimination statutes.

On May 18, 2016, the Department of Health and Human Services (HHS) published a final rule to implement ACA Section 1557 which prohibits discrimination in health coverage and care based on race, color, national origin, age, disability, and sex. These provisions incorporate existing federal non-discrimination law and policy and also contain some new protections. Key provisions of ACA Section 1557 include:

- Extending protections against sex discrimination to health coverage and care for the first time and including gender identity discrimination within the definition of sex discrimination.
- Codifying long-standing guidance regarding meaningful access for individuals with limited English proficiency, including the provision of free, accurate, and timely language assistance services.
- Incorporating existing law that requires reasonable modifications, effective communication, and readily accessible buildings and information technology to avoid disability-based discrimination.
- Prohibiting discriminatory health insurance benefit designs and including specific coverage protections for transgender individuals.

HHS emphasizes Section 1557's importance in achieving the ACA's goals of expanding access to health care and insurance, noting that discrimination within these areas can contribute to poor health outcomes or coverage, increase health disparities among underserved communities, and negatively impact the distribution of healthcare resources.

CMS has provided guidance on the use of modifier "KX" for professional claims to be billed on the detail line with the procedure code(s) that is gender specific for transgender, ambiguous genitalia, and hermaphrodite beneficiaries.

Further, for facility claims CMS states, "Institutional providers are to report condition code 45 on the any inpatient or outpatient claim related to transgender, ambiguous genitalia, and hermaphrodite issues."

Effective for any claims with dates of service on or after **Oct. 15, 2016**, Presbyterian is requesting that professional claims be billed with modifier "KX" and inpatient and outpatient facility claims be billed with condition code "45" for any services related to transgender, ambiguous genitalia, and hermaphrodite services.

PPC101608

Page 1 of 2

Presbyterian exists to improve the health of the patients, members, and communities we serve.

www.phs.org

Presbyterian correct coding software will deny claims, unless the directions above are followed, where the ICD-10 code and the procedure code do not match the gender billed.

If you should have any questions regarding this notification, please feel free to contact me by email at sttafoya@phs.org, or by phone at (505) 923-8402.

We appreciate your commitment to providing excellent care and service to our members. As always, thank you for partnering with us to improve the health of individual, families, and communities.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Tafoya', with a stylized flourish at the end.

Steve Tafoya
Director of Provider Reimbursement
(505) 923-8402
sttafoya@phs.org