



# STATE OF IOWA

CHESTER J. CULVER, GOVERNOR  
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DEPARTMENT OF HUMAN SERVICES  
KEVIN W. CONCANNON, DIRECTOR

## INFORMATIONAL LETTER NO. 692

March 18, 2008

**TO:** Iowa Medicaid Physician, Pharmacy, Medical Supply and Nurse Practitioner Providers Billing on the Professional Claim Form (CMS 1500)

**ISSUED BY:** Iowa Department of Human Services, Iowa Medicaid Enterprise

**SUBJECT:** Use of GD modifier with HCPCS codes when units exceed IME Maximums

**EFFECTIVE:** 01/01/08

Effective 01/01/08 modifier GD has been added as a valid HCPCS modifier. Modifier GD will be used to indicate that services provided (i.e., diapers, glucose test strips, wound dressings, etc.) exceed the maximum units allowed by Medicaid. Modifier 22 should no longer be used with HCPCS codes.

The following are updates in policy and claim submission guidelines:

- If a provider has determined that it is medically necessary that a member receive units above the maximum, then the claim:
  1. Should be submitted on paper, and
  2. Modifier GD must be used, and
  3. Documentation of medical necessity must be included.
- Claims with the GD modifier and supporting documentation will suspend for Medicals Services to review for medical necessity of units billed. Only quantities that are medically necessary will be reimbursed.
- Claims exceeding the maximum allowed units that are billed with the GD modifier that do not have documentation attached will pay at the maximum allowed units.
- Claims that exceed the maximum allowed units, submitted with or without documentation, and are not billed with the GD modifier, will also pay the maximum allowed units.
- Providers may adjust claims that were paid at the maximum allowed units instead of the number of units billed by submitting an adjustment form, a corrected claim with modifier GD and documentation supporting medical necessity for the additional billed units.

**Note:** Providers billing CPT codes should continue to use the 22 modifier to indicate services provided exceed the maximum units allowed by Medicaid.

If you have any questions, please contact IME Provider Services at 1-800-338-7909, or locally at 515-725-1004 or by e-mail at: [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).