Medically Unlikely Edits (MUEs)

Last Updated: 10/1/2025 **Last Reviewed: 10/10/2025** **Originally Effective: 5/14/2012**

Last update includes payment policy changes, subject to 28 TAC §3.3703(a)(20)(D)? No

If yes, Texas Last Update Effective Date: n/a **Policy #: RPM056**

Scope

Companies: Moda Partners, Inc. and its subsidiaries & affiliates (All) **Provider Contract Status:** Any

Claim Forms: CMS1500 & CMS1450 (paper and electronic versions) **Claim Dates:** All

Reimbursement Guidelines

A. CMS Medically Unlikely Edits (MUE) Limitations

We apply and follow the CMS published Medically Unlikely Edits (MUE) unit limitations.

1. CMS publishes three sets of MUE files, which are publicly available on the CMS website to all provider offices:
   a. Professional MUE's, which apply to professional and Freestanding Ambulatory Surgery Center (ASC) claims submitted on CMS1500 claim forms.
   b. DME MUE's, which apply to DME provider claims submitted on CMS1500 claim forms.
   c. OPPS MUE's, which apply to outpatient claims and Hospital-based Ambulatory Surgery Center (ASC) claims submitted on CMS1450 claim forms.

2. Special limit quantities for a few procedure codes.
   a. For Commercial lines of business only, we use MUE quantities that are more generous than the CMS-defined MUE limits for a select few codes.
      i. These limits have been established by review and involvement of Healthcare Services, a medical director, and/or an external medical consultant.
      ii. These exceptions are limited to a few allergy and behavioral health procedure codes.
   b. For Medicaid claims, we use MUE quantities that are more generous than the CMS-defined MUE limits for a select few codes.
      i. These limits have been established by Healthcare Services.
      ii. These exceptions are limited to a few specific (not all) diabetes supply codes.

3. Non-MUE frequency edits also exist.
   a. MUE values do not bypass correct coding requirements, which designate that the most accurate coding for the procedure includes the use of the appropriate modifier(s) to distinguish services. Frequency denials may occur when services are not correctly coded.
   b. Example: For 88342, only one initial stain may be reported per specimen. If 88342 is reported with more than one unit and without appropriate modifiers, the multiple billed units are interpreted as duplicates of the same specimen and stain, resulting in denial of units exceeding one per day.

B. MUE Adjudication Indicators (MAI) and their significance.

1. An MUE Adjudication Indicator (MAI) of "1" indicates that the edit is a claim line MUE.
   a. Appropriate use of NCCI modifiers (e.g., 59, 76, 77, 91, anatomic) may be used to report the same HCPCS/CPT code on separate lines of a claim.
   b. Medical records must support the total units for the date of service and the use of the modifiers appended.

2. MUE edits with an MUE Adjudication Indicator (MAI) of "2" (Date of Service Edit: Policy):
   a. The MUE value is an absolute date of service limit that may not be overridden or bypassed with a modifier.
   b. MUE edit limits with an MAI of "2" have been rigorously reviewed and vetted within CMS.
   c. Units in excess of the MUE value on a date of service would be considered impossible because of the code definition, anatomical consideration, CMS statute, regulation or subregulatory guidance. (See also C. Bilateral Procedure MUE's.)
3. MUE edit limits with an MUE Adjudication Indicator of "3" (Date of Service Edit: Clinical):
   a. It would be possible but medically highly unlikely that more units than the MUE value would ever be performed on the same date of service for the same patient.
   b. CMS set these quantity limits based on clinical benchmarks and criteria (e.g., nature of service, prescribing information) combined with CMS data.
   c. The MUE limits will be applied during claim processing.
   d. For reconsideration review for higher quantities, a written appeal is required accompanied by medical records. The appeal and records must document units of service in excess of the MUE value were:
      i. Provided and supported in the medical record.
      ii. Correctly coded.
      iii. Medically necessary.

C. Bilateral Procedure MUEs

1. Many surgical procedures may be performed bilaterally. Procedure codes with a bilateral surgery rules indicator of "1" on the CMS Physician Fee Schedule, are to be reported using modifier 50 with one unit of service. The MUE value for many of these codes is a limit of one (1) unit.
2. "Each additional level" add-on codes that may be performed bilaterally at multiple levels (e.g., 64480, 64484) have an MUE daily limit of more than one unit. Each unit reported with modifier 50 describes the performance of bilateral services at a specific level; a maximum of one unit may be reported for each level documented in the record.

Definitions

Acronyms/Abbreviations

Acronym	Definition
ASC	Ambulatory Surgery Center
CCI	Correct Coding Initiative (see "NCCI")
CMS	Centers for Medicare and Medicaid Services
CPT	Current Procedural Terminology
DME	Durable Medical Equipment
DOS	Date of service
HCPCS	Healthcare Common Procedure Coding System (acronym often pronounced as "hick picks")
MAI	MUE Adjudication Indicator
MUE	Medically Unlikely Edits (a type of CCI edit)
NCCI	National Correct Coding Initiative (aka "CCI")
OPPS	Outpatient Prospective Payment System
RPM	Reimbursement Policy Manual (e.g., in context of "RPM052" policy number, etc.)
UOS	Unit(s) of Service

MUE Adjudication Indicators

MAI	Definition	MAI Adjudication Indicator ExplanatoryComments
1	Claim line MUE	Appropriate use of CPT modifiers (i.e., 59 or -X{EPSU}, 76, 77, 91, anatomic) may be used to report the same HCPCS/CPT code on separate lines of a claim. Each line of the claim with that HCPCS/CPT code will be separately adjudicated against the MUE value for that HCPCS/CPT code. [1]
2	Date of Service Edit: Policy	Absolute date of service edits. These are "per day edits based on policy." The MUE limit has been rigorously reviewed and vetted within CMS. UOS on the same date of service (DOS) in excess of the MUE value would be considered impossible because it was contrary to statute, regulation, or subregulatory guidance. This subregulatory guidance includes clear correct coding policy that is binding on both providers/suppliers and CMS claims processing contractors. Limitations created by anatomical, or coding limitations are incorporated in correct coding policy, both in the HIPAA mandated coding descriptors and CMS-approved coding guidance as well as specific guidance in the CMS and NCCI manuals. [1]
3	Date of Service Edit: Clinical	"Per day edits based on clinical benchmarks." Based on criteria (e.g., nature of service, prescribing information) combined with data such that it would be possible but medically highly unlikely that higher values would represent correctly reported medically necessary services. Bypassing the MUE limit requires evidence (e.g., medical review) that UOS in excess of the MUE value were actually provided, were correctly coded and were medically necessary. [1]

Related Policies

A. "Moda Health Reimbursement Policy Overview." Moda Health Reimbursement Policy Manual, RPM001.
B. "Clinical Editing." Moda Health Reimbursement Policy Manual, RPM002.
C. "Modifier 50 – Bilateral Procedure." Moda Health Reimbursement Policy Manual, RPM057.
D. "Modifiers XE, XS, XP, XU, and 59 - Distinct Procedural Service." Moda Health Reimbursement Policy Manual, RPM027.

Resources

1. CMS. "Medically Unlikely Edits (MUEs)." *National Correct Coding Initiative Policy Manual*. Chapter 1 General Correct Coding Policies, § V.
2. CMS. "Proper Use of Modifiers 59, XE, XP, XS, & XU." MedLearn Matters MLN1783722. Last updated February 2024; Last accessed August 29, 2024.

Policy History

Reminder: The most current version of our reimbursement policies can be found on our provider website. If you are using a printed or saved electronic version of this policy, please verify the current information by going to: https://www.modahealth.com/medical/policies_reimburse.shtml

Date	Summary of Update
10/10/2025	Coding Guidelines & Sources section retired; see Resources for information. Background Information section retired. Acronyms & Related policies updated. Policy History section info added to 7/13/2022 entry. Formatting updates. No policy changes.

Date	Summary of Update
9/11/2024	Clarified the difference between MUEs and correct coding frequency edits. Updated Cross References and References & Resources. Formatting updates. No policy changes.
10/11/2023	Formatting updates. No policy changes.
7/13/2022	Policy History section added; entries prior to 2022 omitted (in archive storage). Idaho added to Scope. Updated Acronyms, added MAI Definitions. Formatting updates. No policy changes.
11/8/2017	Policy initially approved by the Reimbursement Administrative Policy Review Committee & initial publication.
5/14/2012	Original Effective Date (with or without formal documentation). Policy based on CMS Medically Unlikely Edit (MUE) policy.