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Title: Opposition to Reduced Payment for the 25 Modifier

Introduced by: Karen Chapel, MD, for the Michigan Dermatological Society

Original Author: Karen Chapel, MD

Referred to: Reference Committee C and Reference Committee A

House Action: **APPROVED AS AMENDED**

Whereas, Blue Cross Blue Shield of Michigan has announced that it will implement a policy on July 1, 2018, that inappropriately reduces reimbursement for modifier 25, and

Whereas, when an Evaluation & Management (E/M) code with modifier 25 and a procedure code are billed by the same provider for the same date of service, Blue Cross Blue Shield of Michigan will only compensate the E/M service at 80 percent of the otherwise allowed amount, and

Whereas, the intent of modifier 25, according to Current Procedural Terminology (CPT) guidelines, is to describe a significant, separately identifiable, and medically necessary E/M service performed on the same day as a procedure, outside of the global fee concept, and

Whereas, providing medically necessary, distinct services on the same date allows physicians to provide effective and efficient, high quality care, in many cases saving patients a return visit, and

Whereas, the American Medical Association Relative Value Scale (RVS) Update Committee (RUC) already reduces the reimbursement for surgical codes that are typically reported with an E/M to account for any overlapping direct practice expense and pre-and post-operative work, and

Whereas, by having an insurer impose a reduction on the E/M service, Blue Cross Blue Shield of Michigan is in effect reimbursing both codes at a reduced rate, and

Whereas, increased uptake in this policy would lead to reimbursement below the cost of physician expense, patients incurring higher out of pocket costs due to follow up visit, and longer waits to see a physician, and

Whereas, the AMA at their 2017 Interim Meeting passed a resolution denouncing similar policies by Independence Blue Cross, Blue Cross Blue Shield Rhode Island, Harvard Pilgrim Health Care, Tufts Health Plan, and Anthem, and

Whereas, Anthem has rescinded its proposed reductions; therefore be it

RESOLVED: That MSMS advocate through multiple avenues, including direct payer discussions, regulations, legislation, or other means, to ensure when an evaluation and management (E&M) code is appropriately reported with a modifier 25, that both the procedure and E&M codes are paid at the non-reduced, allowable payment rate.

WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE

Relevant MSMS Policy: None