Part B Insider (Multispecialty) Coding Alert

Appeals: Appeal Modifier 25 Denials With Confidence Using These 4 Strategies

Hint: Pay attention to global period assignments.

Denials are a part of every practice's existence. Some denials are warranted, but others may not be justified. With the crackdown on modifier 25 misuse, you may be seeing more denials involving this modifier.

Before you chalk it up to a mistake, review the claim and take the following four steps to be sure you aren't missing out on reimbursement.

1. Check Documentation Meets Modifier 25 Criteria

You should first verify that your physician's chart note supports billing an E/M with modifier 25 (Significant, separately identifiable evaluation and management service by the same physician on the same day of another service or procedure). Per CPT® guidelines, minor procedures have a small E/M service built into the code (and reimbursement). In order to be eligible to bill for an E/M service with a procedure, the documentation must show that the E/M performed was medically necessary as well as a significant separate and identifiable service from the procedure or other service.

Example: A patient presents for an allergy injection, such as 95115 (Professional services for allergen immunotherapy not including provision of allergenic extracts; single injection) in the arm. The procedure has a little bit of evaluation in it. To also code an E/M, for instance 99212-99215 (Office or other outpatient visit for the evaluation and management of an established patient ...), the provider must document a history, evaluation and medical decision-making apart from that included in the injection. Suppose the patient complains of ear pain at the time of the injection. As a result, in addition to the allergy shot, the physician sees the patient, and performs a history, exam and medical decision making related to the otalgia. Therefore, the E/M service the physician provided was significant and separately identifiable from the allergy shot and therefore supports modifier 25.

Why does an allergy shot with an E/M service require a modifier? The Correct Coding Initiative's introduction in version 7.2 ruled that "XXX" global period procedures, such as injections, require modifier 25 on a significant, separate E/M. The language defines that a procedure with "XXX" global days includes a small amount of history, evaluation, and medical decision-making similar to minor procedures.

Rule of thumb: If the chart note's E/M documentation can stand on its own, fight for modifier 25 pay. Even CMS states that an E/M with a 25 modifier can have the same modifier as a minor procedure on the same day. This is because there are times when an E/M may be a decision to perform a procedure. Use this CMS rule as part of your appeal, if necessary. You don't have to write the notes on a separate sheet, but visually separating the service and procedure will help show you whether the E/M meets the test of water.

ICD-9 linkage: You should link the signs and symptoms with the E/M service and link any definitive diagnoses found with the scope with the procedure. If there are no definitive findings, you should also link the signs and symptoms to the procedure and per CMS's rules, you should use the same diagnosis for both the E/M service and the procedure.

The physician must determine whether the problem is significant enough to require additional work to perform the key components of the problem-oriented E/M service.

2. Review Payer's Rules

Some insurers will not pay for an E/M service in addition to certain procedures or other E/M codes, regardless of your

documentation. And if your contract specifies these restrictions, you shouldn't waste time appealing the decision.

If you continue to provide significant and separately identifiable E/M services on the same day as a procedure, you might want to keep track of what it is costing you in lost revenue to have such unfavorable terms with these payers. You can capture your losses by entering the charges for the E/M services with modifier 25 and then immediately write them off to an adjustment code you create, such as "25NP" which stands for "25 modifier not paid." That way, you can run a report at the end of the year, highlighting all your "25NP" by payer, and then you can capture the total lost revenue caused by each payer not complying with the AMA CPT® code set.

Once that has been quantified, you may want to consider re-negotiating your contracts when it is time for renewal.

3. Involve Others in Across-Board Rejections

But how do you know when a payer's denials have gone from contract-approved denials to inappropriate activity? If an insurer never pays a modifier 25 service, you should find out why. Insurers should recognize that physicians often have to provide a separate service with diagnostic procedures. If a payer consistently rejects modifier 25 claims, up the ante. Talk to the medical director and involve your local medical board.

Pointer: When requesting an appeal, ask for a board certified reviewer from your specialty. You're entitled to have a reimbursement specialist familiar with your area of medicine analyze your information. The individual may better understand the separately identifiable nature of a service from an E/M.

Other sources: Inform your state specialty association and state medical society of the problem.

4. Submit Coding Support

When you appeal a modifier 25 decision, remind the payer of two facts:

1. HIPAA code set standardization requires that government and third party payers use ICD-9 and CPT® as the official code set. Because CPT® includes modifiers as part of the code set and CPT® clearly defines the appropriate use of modifier 25, the insurer must accept the modifier and pay based on the correct use of the modifier.

If your contract with the payer excludes modifier 25, the company violates HIPAA. The insurer is excluding part of the HIPAA code set.

2. You have submitted the claim based on documentation that supports using modifier 25. Include a copy of CPT's Appendix A - Modifiers description of modifier 25 along with a standard form letter.