

## Part B Insider (Multispecialty) Coding Alert

### Modifiers: Anticipate Pay Cuts for Modifier 25 Claims, Private Payer Says

**One insurer is slashing modifier 25 claims in half ☐ others may follow.**

Many practices append modifier 25 to their E/M claims, but the chances of receiving full payment for this ubiquitous modifier are waning. That's the word from Pennsylvania's Independence Blue Cross Blue Shield, which is making drastic reimbursement changes to the modifier.

**Inside story:** Effective Aug. 1, 2017, Independence will reimburse claims appended with modifier 25 (Significant, separately identifiable evaluation and management service by the same physician or other qualified healthcare professional on the same day of the procedure or other service) "at 50 percent of the applicable fee schedule amount" in the following circumstances, the payer said in a May 1 notification:

- When the E/M service is submitted on the same date of service, by the same provider, as a minor procedure
- When a problem-focused E/M service is submitted on the same date of service, by the same provider, with a preventive E/M

In addition, Independence's notification indicates that when you're using modifier 25, "documentation for the additional E/M must be entered in a separate section of the medical record in order to validate the separate and distinct nature of the E/M service." Therefore, it appears that this payer will no longer allow you to document both the E/M and the procedure in the same sentence or paragraph of the note.

#### **Be Aware ☐ Pay Cuts Could Be Substantial**

Seeing your pay fall by 50 percent for E/M services with modifier 25 appended could be a drastic change for providers. For example, when you report 99205 (Office or other outpatient visit for the evaluation and management of a new patient...), you normally collect about \$210, based on the 2017 Medicare Physician Fee Schedule values. However, under the new Independence Blue Cross rules, that number will fall to just \$105. Say you report 99205-25 twice a day at your practice ☐ you've now lost \$1,050 a week, or almost \$55,000 annually, from Independence Blue Cross Blue Shield.

"This policy is absurd," says **Barbara J. Cobuzzi, MBA, CPC, CENTC, COC, CPC-P, CPC-I, CPCO, AAPC Fellow** and vice president at Stark Coding & Consulting LLC, in Shrewsbury, New Jersey. Although the policy is not a broad CMS directive, it could begin to infiltrate other payers if practices affected by it don't act quickly.

"I would view this as a radical unwarranted attack on patient convenience and efficient provision of necessary services, punishing provider reimbursement for doing the right thing," says **Glenn D. Littenberg, MD, MACP, FASGE**, chief medical officer with inSite Digestive Health Care in Pasadena, California.

**Consider this:** "Anyone with Independent BCBS contracts should fight this," Littenberg says. "The state medical society should be approached to see if this policy represents such a radical reinterpretation of contract terms that is not a legally allowable unilateral amendment without the payer getting permission from the state's department of insurance or other regulatory body. Some states have such regulations. If we fail to fight against arbitrary payment cuts, the practice is likely to spread to other Blues and other private payers."

**Resource:** To read the complete announcement from Independence Blue Cross Blue Shield, visit <http://provcomm.ibx.com/ProvComm/ProvComm.nsf/4bcc623b93e226638525792c00575962/bbe9e72728cc01e285258167005c629d!OpenDocument>.

