

Part B Insider (Multispecialty) Coding Alert

PHYSICIAN NOTES: Say Goodbye To Level Four E/M Visits In SW Ohio

One practice loses \$430,000 per year thanks to 'blended' visits

You'd better hope your private payors don't follow **Anthem Blue Cross Blue Shield's** example with evaluation and management coding.

Anthem has decided to "blend" level three and level four E/M visits into a single level. It'll pay an amount somewhere between the payment for a level three and a level four for those visits, according to a Feb. 20 article in the Cincinnati Business Courier. The policy applies only to Southwest Ohio and Northern Kentucky, and Anthem says it has no plans to expand it elsewhere.

Anthem wouldn't reveal exactly how much it'll pay for the combined level three-level four visit. But the company did say the payment was closer to a level three than to a level four. The policy also affects inpatient visits and consults.

Blame electronic medical records (EMRs) for the new policy, Anthem officials said. Anthem was seeing a lot of cases coded at a level four, when they would have been coded as a level three in the past, because physicians can document much more detail with EMRs.

A small number of primary care groups in the Southwest Ohio region was billing between 60 and 80 percent of its visits at level four, according to Medical Director **Barry Malinowski**. "They were seeing the same patients, spending the same amount of time as the person down the street, but submitting a level four instead of the level three that they maybe a year ago had been submitting," he told the Courier.

Some physicians complained that Anthem unilaterally changed the rules of their contract, but Anthem replied that it followed the contract terms by notifying them in advance. One practice estimated the "blended" level three-level four visits would cost it \$430,000 per year.

In other news:

- Your carrier should take the necessary steps to pay up when an administrative law judge rules in your favor, but shouldn't review the ALJ decision to see if the **Centers for Medicare & Medicaid Services** should overturn it, according to Transmittal 862, dated Feb. 17.
- Health care spending grew only 7.4 percent in 2005 and will grow only 7.3 percent in 2006, compared with 7.9 percent growth in 2006, according to a new report from the **CMS Office of the Actuary**.
- If you want to comment on the suggested changes to the Practice Expense Relative Value Units (see PBI, Vol. 7, No. 7) you can send an email with your comments to cmspracticeexpensetownhall@ees.hhs.gov.