Eli's Rehab Report

Latest CCI Bundles E/M With Many Procedure Codes Modifier -25 Is the Answer for Payment

Effective Oct. 30, evaluation and management (E/M) services are considered bundled to a multitude of procedures unless the E/M is significant and separately identifiable and you append modifier -25 (significant, separately identifiable evaluation and management service by the same physician on the same day as another procedure or service).

The new policy, proposed by the Health Care Financing Administration (HCFA) in the Nov. 2, 1999, Federal Register, section H, has been implemented in the national Correct Coding Initiative (CCI) edits, version 6.3. More than 50,000 codes are affected by the policy shift.

Explaining the New Policy

When the new policy was proposed, HCFA said it was designed to prevent the practice of physicians reporting an E/M service code for the inherent evaluative component of the procedure itself. According to the agency, The basis for this policy is that, because every procedure has an inherent E/M component, for an E/M service to be paid separately, a significant, separately identifiable service would need to be documented in the medical record.

The following codes are examples, but are in no way a complete listing, of services that will be affected by this edit:

CPT 97012 application of a modality to one or more areas; traction, mechanical

CPT 97112 therapeutic procedure, one or more areas, each 15 minutes; neuromuscular reeducation of movement, balance, coordination, kinesthetic sense, posture, and proprioception

97124 therapeutic procedure, one or more areas, each 15 minutes; massage, including effleurage, petrissage and/or tapotement (stroking, compression, percussion

97140 manual therapy techniques (e.g., mobilization/manipulation, manual lymphatic drainage, manual traction), one or more regions, each 15 minutes

97750 physical performance test or measurement (e.g., musculoskeletal, functional capacity), with written report, each 15 minutes

Due to the number of edits and the importance of attaching modifier -25 to services that until now did not require it, practices should obtain a copy of CCI, version 6.3.

Tiffany Z. Eggers, JD, MPA, policy director and legislative counsel for the American Association of Electrodiagnostic Medicine (AAEM), adds that you must append modifier -25 even if the E/M and the procedure are performed at different locations. She also cautions that physicians who dont use the modifier may be accused of performing medically unnecessary procedures or processing fraudulent billing. Therefore, as of Oct. 30, practices must gain a full understanding of what procedure codes are bundled with E/Ms and how to properly use modifier -25, despite the added time and effort required.

Audits and Other Risks

The new CCI edits should not affect physicians who already code the E/M separately from the diagnostic or medicine

service only when it is significant and separately identifiable. For these providers, the only significant change will be looking up the comprehensive code in the CCI edits and, if the E/M is bundled, attach modifier -25. If your practice routinely codes E/M services for diagnostic tests or other services, be aware that HCFA closely watches modifier -25 claims.

Cindy Parman, CPC, CPC-H, co-owner of Coding Strategies Inc., a Dallas, Ga.-based consulting firm that supports more than 500 physicians nationwide, says that careful documentation is imperative when using modifier -25. Payers view -25 as an abused modifier, Parman says, and they are looking for inappropriate billing. Parman adds that if the carrier sees a distinct pattern of incorrect or inappropriate billing, the physician may become a prime target for auditing. But this is not the only concern.

Many physicians dont realize that payers track a practices utilization of codes to create a provider profile, says Parman, who previously worked for a major commercial third-party payer for 20 years, performing auditing and preferred provider organization (PPO) contracting. They know on average how many visits a provider will charge in a given month with -25 appended. Once you move radically outside their expectations by submitting a greater number of visits with -25 than before, or by modifying your profile in any like manner, you raise payer awareness. Parman says that carriers may then ask for documentation on claims that have already been paid. If the documentation does not confirm that you met the criteria for using -25, the carrier could put the practice in a financial strain by asking for payments to be returned.

Although the new E/M policy is the most significant change in the latest version of the CCI edits, version 6.3 also contains more than 800 mutually exclusive code edits.