



Pennsylvania
MEDICAL SOCIETY®

June 23, 2017

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Daniel J. Hilferty, President and CEO
Independence Blue Cross
1901 Market Street
Philadelphia, PA 19103-1480

Dear Mr. Hilferty:

The undersigned organizations represent thousands of Pennsylvania physicians in the Philadelphia metropolitan statistical area who provide medical services to your members. We are writing to express our opposition to a recently announced Independence Blue Cross (IBC) policy on modifier 25, set to become effective August 1, 2017. This policy denies appropriate payment for evaluation and management (E&M) services when billed with modifier 25 by reducing reimbursement for those services by 50 percent. We are concerned with how this policy will affect access to care for patients who have contracted with Independence Blue Cross. We urge you to re-evaluate the decision to deny the appropriate payment for these services.

According to Current Procedural Terminology (CPT) guidelines, modifier 25 is used to indicate a significant, separately identifiable, and medically necessary E&M service provided on the same day as a procedure. Providing medically necessary, separate, and distinct services on the same date of service allows physicians to provide effective and efficient, high-quality care. This can save patients a return visit, as well as the cost of additional co-pays.

Separate services should be reimbursed appropriately and in accordance with established coding conventions and guidelines, whether used on the same date or different dates. Modifier 25 is specifically indicated for use when distinct E&M services – distinguishable from any E&M work integral to a procedure's valuation – are performed. As such, modifier 25-specified E&M work is no less than what would be done if the patient were to be evaluated on a separate day. Therefore, it is totally unreasonable to arbitrarily diminish the value of that work by relegating it to a 50 percent payment reduction when it is done on the same day as a procedure.

777 East Park Drive
PO Box 8820
Harrisburg, PA 17105-8820

Membership Inquiries
855-PAMED4U
(855-726-3348)

Tel: (717) 558-7750
Fax: (717) 558-7840
Email: KnowledgeCenter@pamedsociety.org
www.pamedsociety.org

The AMA Relative Value Scale Update Committee (RUC) reviews relative value units (RVU) and updates them to reflect changes in physician work, practice expense, and malpractice inputs. The RUC is now automatically reducing procedure pre-service time estimates and value for all codes typically billed with an E&M visit. Therefore, the value of codes commonly billed with a 25 modifier have already been reduced in RVU to account for the potential overlapping of work performed during an E&M service. Additional reduction in an appropriately billed, separate and unrelated E&M service is arbitrary, unfair and without merit.

Implementation of this policy will result in increased cost to patients in the form of additional co-pays due to multiple visits, resulting in decreased patient satisfaction. Additionally, access to care and the likelihood of worsening clinical outcomes due to delays will follow. Therefore, the undersigned organizations seek that IBC revoke this ill-advised policy:

Pennsylvania Medical Society
Keystone Chapter American College of Surgeons
Metropolitan Philadelphia Chapter, American College of Surgeons
Pennsylvania Academy of Dermatology
Pennsylvania Academy of Ophthalmology
Pennsylvania Academy of Otolaryngology – Head and Neck Surgery
Pennsylvania American Congress of Obstetrics and Gynecologists
Pennsylvania Chapter of the American College of Cardiology
Pennsylvania College of Emergency Physicians
Pennsylvania Neurosurgical Society
Pennsylvania Rheumatology Society
Pennsylvania Society of Anesthesiologists
Pennsylvania Society of Gastroenterology
Pennsylvania Society of Oncology and Hematology
Robert H. Ivy Pennsylvania Plastic Surgery Society

We welcome the opportunity to engage in a dialogue about this issue and request an opportunity to discuss it with you at your convenience. Please contact Marty Raniowski, Executive Vice President of PAMED, by email at mraniowski@pamedsoc.org or by phone at (717) 909-2609 to set up a mutually agreeable time to discuss.

We thank you for your consideration of this very important issue.

Sincerely,



C: American Medical Association