AMERICAN ACADEMY OF FAMILY PHYSICIANS
STRONG MEDICINE FOR AMERICA

August 1, 2018

Augustine A. Manocchia, MD
Senior Medical Director
Blue Cross & Blue Shield of Rhode Island
500 Exchange Street
Providence, RI 02903

Dear Dr. Manocchia:

The American Academy of Family Physicians (AAFP), which represents 131,400 family physicians and medical students across the country, writes in response to Blue Cross & Blue Shield of Rhode Island's (BCBSRI) Modifier 25 reporting and payment policy. The AAFP was recently made aware that this policy reduces payment for evaluation and management (E/M) services by 50 percent when billed with procedures done at the same encounter. The AAFP believes this policy adversely affects primary care physicians (PCPs) and should be reconsidered by BCBSRI.

Family physicians provide comprehensive, evidence-based, and cost-effective care dedicated to improving the health of patients, families, and communities. However, family physicians are financially dependent on the thin margins associated with the current fee-for-service (FFS) payments to pay for day-to-day business expenses and the increased administrative and clinical personnel needed to transition to and be successful in value-based contracts. Your updated Modifier 25 policy significantly hampers family physicians' ability to financially operate a medical practice and transition to value-based care. It also is detrimental to patient access to care.

Rather than penalizing all physicians in your market, we believe BCBSRI should conduct further analysis to determine if there are physicians that are outliers and then develop policies that target them for their inappropriate use of Modifier 25. Instead, BCBSRI has chosen to effectively to take away payment from all physicians, including those who were appropriately providing high quality, low cost care. Your website states BCBSRI's mission is, "To improve members' health and peace of mind by facilitating their access to affordable, high-quality healthcare." The AAFP believes this policy could reduce your members' access, because it incentivizes physicians to have patients return on a different day to have a procedure performed. This also could cost BCBSRI more money if patients are referred out to higher-cost sub-specialists instead of receiving a procedure on the same day as the primary care office visit.

The intent of modifier 25, according to Current Procedural Terminology (CPT) guidelines, is to describe a significant, separately identifiable, and medically necessary E/M service performed on the same day as a procedure, outside of the global fee concept. Separate services should be reimbursed appropriately and in accordance with established coding conventions and guidelines, whether provided on the same date or different dates.

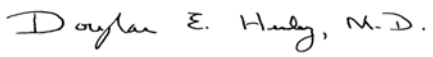
An argument other insurers have used to reduce payment for E/M services billed with procedures is that much of the practice expense of the two services is common and supports a 50 percent

reduction. As participants in the process by which the Centers for Medicare & Medicaid Services (CMS) ultimately decides the practice expense inputs for each service under the resource-based relative value scale, we know any redundancy is accounted for in determining the practice expense inputs of minor procedures typically done at the same encounter as an E/M service. To reduce the payment amount for E/M services by 50 percent is to double count perceived redundancies in practice expenses and discount payment for both the E/M service and the procedure.

Anthem who had announced plans to implement the same policy, recently announced their decision to halt the policy. In a statement released by Anthem, they stated, “the company believes making a meaningful impact on rising health care costs requires a different dialogue and engagement between payers and providers.” The AAFP agrees with this statement and believes physician engagement is key prior to implementing policies that reduce access to affordable quality care.

To reduce payment in any amount for the services done most commonly by PCPs is detrimental to their ability to provide high quality, low cost care in the current FFS care environment. The AAFP asks BCBSRI to re-evaluate its Modifier 25 reporting and payment policy. The AAFP looks forward to BCBSRI’s response. For additional information or follow-up, please contact Brennan Cantrell, Commercial Health Insurance Strategist, at the AAFP, at 913-906-6000, ext. 4134, or by email at bcantrell@aafp.org.

Sincerely,



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