



July 12, 2024

Dr. Stephen Friedhoff, MD
Senior Vice President, Health Care Services
Blue Cross Blue Shield of North Carolina
4615 University Drive
Durham, NC 27707
Stephen.Friedhoff@bcbsnc.com

Dear Dr. Stephen Friedhoff:

We recently received the welcomed news that BlueCross BlueShield of North Carolina (BCBSNC) has rescinded its update to the Evaluation & Management Services Reimbursement Policies that would have reduced reimbursement by 50% for problem-oriented evaluation and management (E&M) services appended with modifier 25 when submitted on the same date of service as a minor surgical procedure code that have a global period of 0-10 days. On behalf of the American Osteopathic Association (AOA) and its physician and student members, we wish to express our sincere appreciation for your recognition of the concerns regarding patient care and ensuring physician practices are fairly compensated for necessary services rendered.

The AOA represents more than 186,000 osteopathic physicians (DOs) and osteopathic medical students nationwide, of which 3,500 are represented in the state of North Carolina. As you are undoubtedly aware, DOs bring a unique, patient-centered approach to medicine, with approximately 57% of practicing DOs specializing in primary care specialties. BCBSNC's 50% payment reduction policy induces a substantial reduction in pay that would have broadly impacted physicians nationwide, across all medical specialties.

The position of the AOA is that an osteopathic physician should report an E/M service along with the OMT procedure on initial office visits as well as subsequent visits if a new problem occurs or if original symptoms have changed. The decision to utilize OMT as part of the overall health care of patients is made on a visit-by-visit basis. As such, it is typical that on the initial and subsequent encounters a pertinent history and physical examination is performed. Based on the history and findings of the physical examination, the physician may decide to use OMT as part of the overall management of the patient on that date.

To justify the previously proposed payment reduction, BCBSNC cited duplicate and overlapping professional practice expenses as the reason for the reimbursement decrease. If this was indeed the rationale for BlueCross BlueShield's policy change, we must emphasize that this reflected a misunderstanding of the code valuation process.

For example, if comparing CPT codes commonly performed on the same date of service, E/M 99213 with a non-facility practice expense (PE) value of 1.3 to OMT procedure 98926 with a non-facility practice expense value of 0.60, the OMT is 0.7 less than the 99213 E/M. If the 99213 E/M service were included in the 98926 OMT procedure, we would expect the OMT PE to be greater than the E/M PE value and it is not. The PE values assigned to E/M and OMT codes further confirms the position that there is not an E/M component included in the OMT.

The RVUs assigned to the OMT codes by the American Medical Association (AMA) and the Centers for Medicare and Medicaid Services' (CMS) clearly do not include practice expense that would otherwise be reported using E/M codes. E/M and OMT services do not occur simultaneously. Physicians use the E/M to determine whether OMT is needed. This explanation of OMT services is supported by payment policies included in CMS, National Correct Coding Initiatives (NCCI) and Current Procedural Terminology (CPT©) guidance. CMS Local Coverage Determination (LCD) L33616 states "osteopathic manipulative treatment specifically encompasses only the procedure itself. E&M services are covered

as a separate and distinct service when medically necessary and appropriately documented.” The NCCI edit allows for the reporting of this code pair, and industry standards are that both services are separately reimbursed at 100% of the allowable fee schedule. Most public and private payers follow these guidelines.

The AOA shares insurers’ concerns with the rising cost of healthcare and recognizes the importance of payers’ fraud, waste and abuse preventions and detection processes. We are committed to providing the osteopathic profession with the most up-to-date information related to coding, billing, and documentation compliance. However, numerous osteopathic physicians contacted the AOA to request assistance with the now retracted update to the Evaluation & Management Services Reimbursement Policy. This updated policy would have threatened the ability of osteopathic physicians to provide accessible care to patients and obtain fair reimbursement for services provided. Such financial pressure would have jeopardized the existence of many osteopathic physician practices and access to care in the communities that they serve.

Your decision to withdraw the proposed policy demonstrates a commendable commitment to addressing the needs and well-being of patients and supports collaborative efforts between healthcare providers and insurers to ensure the highest standards of care.

To confirm our records and communicate this update to our members, we kindly request an official notification confirming that the proposed policy has been rescinded. This will help us provide clarity and assurance to the physicians and patients who were concerned about the implications of the policy.

Thank you once again for your understanding and responsiveness to the concerns of the osteopathic physician community. We look forward to continuing our productive relationship with BlueCross BlueShield of North Carolina.

If you have any questions or need any additional information do not hesitate to contact AOA Physician Services via phone (312) 202-8194 or e-mail at physicianservices@osteopathic.org.

Sincerely,



Ira P. Monka, DO
President
American Osteopathic Association (AOA)

Cc: Tunde Sotunde, MD, MBA, FAAP, President and Chief Executive Officer, BCBS of North Carolina
Eric E. Gish, DO, HPF, President, North Carolina Osteopathic Medical Association
Betsy Hilt, CAE, Executive Director, North Carolina Osteopathic Medical Association
Kathleen Creason, MBA, Chief Executive Officer, AOA
Christel Ballog, MA, CAE, FHIMSS, Executive Director, AOIA
Cynthia Penkala CMM, CMPE, Senior Director Physician Services AOA/AOIA
Kim Popernik, MHA, CMRS, Manager Physician Payer Relations AOA/AOIA

Sources of Information

American Osteopathic Association Policy H635-A-20 American Osteopathic Association OMT Coverage Determination Guidance (2024)

American Osteopathic Association Guide to Coding & Documentation: Osteopathic Manipulative Treatment Second Edition (2023)

American Association of Colleges of Osteopathic Medicine Glossary of Osteopathic Glossary of OMT Terminology.

American Medical Association (AMA) Current Procedural Terminology (CPT®) 2015 Manual

American Medical Association (AMA) Relative Value Update Committee (RUC) Database

Centers for Medicare & Medicaid Services PFS Relative Value Files (April 2024)