



June 5, 2024

Dr. Tosha Lara-Larios, DO  
Senior Vice President, Chief Medical Officer, Operation  
Blue Shield of California  
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Dear Dr. Lara-Larios:

On behalf of the American Osteopathic Association (AOA), Osteopathic Physicians & Surgeons of California (OPSC) and its physician and student members, we request that Blue Shield of California immediately halt plans to update their Global Surgical Period Payment Policy that will reduce reimbursement by 50% for non-preventative evaluation and management (E&M) services appended with modifier 25 and billed along with minor procedure codes that have a global period of 0-10 days. We strongly urge Blue Shield to reconsider avoiding potential negative effects on patients and to ensure 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 17,000 are represented by OPSC. 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. Blue Shield's 50% payment reduction policy induces a substantial reduction in pay that will broadly impact physicians nationwide, across all medical specialties. We are concerned that Blue Shield may shortsightedly be prioritizing immediate savings over long-term plan costs and patient outcomes. By creating a deterrent for physicians to provide unscheduled services, your new policy may force patients to schedule multiple visits (with additional co-payments) to receive necessary treatment.

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 this payment reduction, Blue Shield has cited the decision is to no longer reimburse for the practice expense component twice, once for the E&M service and again for the global day code. If this is in fact the rationale for Blue Shield's policy change, we must stress that this reflects 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 have contacted the AOA and OPSC to request assistance with this proposed update to the Global Surgical Period Payment Policy. This updated policy will threaten the ability of osteopathic physicians to provide accessible care to patients and obtain fair reimbursement for services provided. Such financial pressure will threaten the existence of many osteopathic physician practices and access to care in the communities that they serve.

Based on the information provided, we trust that Blue Shield of California will re-examine its proposed 50% payment reduction policy and respectfully request OMT procedure codes (98925-98929) be carved out from its list of codes in the policy. The AOA welcomes the opportunity to work with Blue Shield of California to reach an amicable solution to this matter.

Thank you for your consideration and commitment to providing support to contracted osteopathic physicians who provide high-quality, patient-centered care to Blue Shield of California’s members. To further detail our concerns, the AOA requests a response within thirty days from the date of this letter.

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](mailto:physicianservices@osteopathic.org).

Sincerely,



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



Tony Khan, DO  
President  
Osteopathic Physicians & Surgeons of California (OPSC)

Cc: Paul Markovich, President and Chief Executive Officer, Blue Shield of California  
Phillip Baldi, DO, Medical Director, Blue Shield of California  
Aliza Arjohan, Senior Vice President, Provider Partnerships and Network Management, Blue Shield of California  
Holly Macriss, Executive Director, Osteopathic Physicians & Surgeons of California (OPSC)  
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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 Osteopathic Association (1998). Protocols for Osteopathic Manipulative Treatment (OMT).*
- 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)*