AMERICAN
OSTEOPATHIC ASSOCIATION

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May 29, 2019

Stephen G. Friedhoff, MD
Senior Vice President and Chief Clinical Officer
Anthem, Inc.
101 Wood Avenue South
Iselin, NJ 08830

Dear Dr. Friedhoff:

On behalf of the American Osteopathic Association (AOA) and the more than 145,000 osteopathic physician (DO) and student members we represent, I am writing to urge Anthem Blue Cross Blue Shield (Anthem) to reconsider its recent payment policy modifications related to Evaluation and Management (E/M) services appended with Current Procedural Terminology (CPT) modifier 25.

Effective March 1, 2019 for commercial claims, Anthem announced to network physicians that it "will deny the E/M service with a modifier 25 billed on the day of a related procedure when there is a recent service or procedure for the same or similar diagnosis on record for the same provider." The AOA is deeply concerned this new policy will cast a wider net than Anthem intends and result in unjustified claims denials for appropriately billed E/M services. In addition, we believe ambiguous language as reflected in the policy will lead to confusion among physicians and negatively impact patient care.

Modifier 25 allows for separate payment for a significant, separately identifiable E/M service by the same physician on the same day of the procedure or other service. Anthem's policy is inconsistent with standard coding convention and practice patterns that reporting an E/M visit disqualifies payment for the same condition within a short period of time if the patient presents to the physician again and requires a separate and distinct E/M visit and a procedure on a particular date of service. It is important to recognize that many clinical scenarios require a subsequent encounter for a recently reported condition and an unrelated procedure. Delaying a medically necessary and appropriate follow-up visit to ensure payment under Anthem's new policy would likely result in negative implications for the patient and interferes with the practice of medicine.

In 2004, the Office of Inspector General (OIG) of the United States Department of Health and Human Services (HHS) reviewed modifier 25 utilization and found that two percent of claims did not meet the threshold for modifier 25, and that 31 percent of claims were denied due to improper and/or inaccurate documentation. Recognizing that an in-depth understanding of documentation standards is critical for properly reporting modifier 25, the AOA has engaged in significant efforts to educate its members on the documentation requirements necessary to receive payment when reporting modifier 25. In addition, it is important to acknowledge that OIG has not further evaluated modifier 25 utilization in 15 years. To date, Anthem has not provided evidence of inappropriate follow-up visits or widespread misuse of modifier 25.

The AOA also requests that Anthem clarify and define several terms related to implementing the new policy. At this time, we are uncertain on the "lookback" period Anthem is using to identify "recent" services or procedures in the patient's claims history. In addition, Anthem has yet to define what constitutes "the same or similar diagnosis" as stated in the policy. Lacking details on how Anthem is operationalizing this new policy, we are concerned our members may soon face numerous – and likely inappropriate – claims denials for E/M services.

The AOA strongly encourages Anthem to reconsider its recent payment policy change regarding E/M services billed with CPT modifier 25 as:

- The policy lacks sufficient safeguards to protect physicians from inappropriate claims denials, thereby imposing unnecessary administrative burden on physicians who correctly and appropriately use modifier 25;
- The policy is inconsistent with standard coding convention and guidelines for correct use of CPT modifier 25, which only require the E/M service be significant and separately identifiable;
- The policy complicates medical decisions, interferes with the practice of medicine, and may result in poor patient outcomes;
- Anthem has yet to provide evidence of modifier 25 misuse; and
- Several aspects of the policy's language remain ambiguous, which may lead to confusion among physicians and thus result in inappropriate claims denials for E/M services.

To further detail our concerns, the AOA also requests an in-person meeting as soon as possible to include the appropriate individuals from your organization, the AOA, and representatives from state osteopathic medical associations in several of the affected Anthem states. I have requested that the AOA's Physician Services and Payment Advocacy team coordinate with your office to schedule this meeting at your convenience.

Thank you for your consideration and commitment to providing support to contracted osteopathic physicians who provide high-quality, patient-centered care to Anthem's members. I look forward to discussing this issue with you in the near future.

Sincerely,

William S. Mayo, DO
President, Board of Trustees, American Osteopathic Association